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Franklin Fire Insurance Company
Franklin Life Insurance Company
General Insurance Co. of America
Golden State Mutual Life Ins. Co.
Grain Dealer's Nat. Mut. Fire Ins. Co.
Great American Insurance Group
Hardware Mut. Ins. Co. of Minnesota
Hartford Fire Insurance Company
Home Insurance Companies
Hoosier Casualty Company
Insurance Cos. of North America
Kemper Insurance Group
Lloyds, New York
London & Lancashire Ins. Co. Ltd.
Loyal Protective Life Insurance Co.
Marine Office of America
Massachusetts Bonding & Ins. Co.
Minnesota Mutual Life Insurance Co.
Mutual Benefit Life Insurance Co.
National Union Fire Insurance Co.
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North British & Mercantile Ins. Co. Ltd.
Northern Assurance Company Ltd.
Northern Insurance Company of N.Y.
Norwich Union Fire Ins. Society Ltd.
Pearl Assurance Company Ltd.
Peerless Casualty Company
Phoenix Insurance Group of Hartford
Royal Insurance Company Ltd.
Security Taxpayers Mutual Ins. Co.
Springfield Fire & Marine Ins. Co.
Standard Accident Insurance Co.
State Farm Mut. Automobile Ins. Co.
Stuyvesant Insurance Company
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B-1

THURSDAY, APRIL 7, 1955

New Aetna



makes an instant hit with agents and policyholders

* A.I.D. (Accidental Injury or Death Coverage) is a pioneer development of the Aetna Casualty and Surety Company, and an important plus value for Aetna automobile liability insurance policyholders.

It provides fixed benefits for death or specified injuries sustained in practically any kind of automobile accident by the insured or eligible members of his family. And the cost is extremely low. For coverage with \$10,000 maximum benefits, the annual premium is only \$6.00 for the first insured and \$4.00 for others. For \$5,000 maximum benefits, the premiums are half as much.

With its low cost and broad protection, A.I.D. is an exceptional insurance value, and its success has been immediate wherever it has been introduced.

Currently A.I.D. is available in more than 30 states. It will be released elsewhere as clearance is obtained. For full information on this attractive new Aetna coverage, contact our nearest office or write direct . . .



AETNA CASUALTY AND SURETY COMPANY

The Aetna Life Affiliated Companies write practically every form of insurance and bonding protection

LIFE AND CASUALTY

Aetna Life Insurance Company
Aetna Casualty and Surety Company

FIRE AND MARINE

Automobile Insurance Company
Standard Fire Insurance Company

Hartford 15, Connecticut

**SALES AIDS
FOR A. I. D.**

To help Aetna agents take full advantage of A.I.D. and be the first to offer this valuable new coverage to their policyholders, we have prepared a variety of hard-hitting sales aids including the colorful reply-card folder shown at left and the newspaper advertisements below.

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

59th Year, No. 14
April 7, 1955

Evans Retiring at Great American, Newcomb Successor

C. M. Close Executive
V-P; Smith, Rice
and Hubner Advance

Great American group has made important changes in the executive staff.

John C. Evans has retired as president of the fire companies of the group and vice-president of Great American Indemnity. William E. Newcomb succeeds Mr. Evans as president and



John C. Evans



W. E. Newcomb

Charles M. Close replaces Mr. Newcomb as executive vice-president of Great American Indemnity. Daniel R. Ackerman, as chairman, continues to be the chief executive officer of the group.

Mr. Evans is well and favorably known for his many contributions to the fire insurance business not only as a company executive but also as a member of top-level committees directing the activities of many important cooperative rate-making and service organizations. He entered fire insurance in his native state of Texas while a student in high school. His first job, which helped to finance his education, was the preparation of copies of fire maps developed by individual field men for the guidance of their home offices. It was natural, therefore, that upon graduation from high school in 1908 he should enter the service of Texas Fire Prevention Bureau where, among other activities, he made diagrams of special hazard risks.

In 1910 when the Texas legislature enacted a statute requiring approval by the insurance commissioner of a schedule of rates for fire insurance, Mr. Evans joined the rate-making organization established by the companies for this purpose. Later, when the state itself undertook to make and promulgate rates, Mr. Evans joined Fireman's Fund. He served this company and, later, Home in many capacities, appointing and servicing agents, making inspections, adjusting claims and supervising production activities in the Texas field.

In 1924 he transferred to the home office of Home where as assistant secretary and subsequently as secretary he supervised the company's business in the entire south. He joined Great American group in 1934 with general

(CONTINUED ON PAGE 35)

Unusual Products Loss Costs Insurers Over \$10 Million

The story of what may be a record products liability loss is just now getting generally circulated among underwriters and others in the business. This is the cattle feed loss involving a Texas oil company which, reportedly, cost insurers here and abroad more than \$10 million over a period of three years.

The trouble arose when, to solve the problem of millers that were having difficulty because some of the dust created in the manufacture of pelletized cattle feed was getting into the bearings of the rollers, the oil company recommended use of a certain kind of grease.

This solved the problem of the rollers, but some of the grease got into the feed and allegedly caused in cattle that ate it hyperkeratosis, which affects the corneous layer of the skin and leads to barrenness, decline and in many instances death. It was a good while before the difficulty was determined. The first of the three years of losses cost the insurers only \$135,000 it is said, but the liabilities mounted and eventually totaled more than \$10 million.

Travelers carried the primary coverage of \$2 million BI and \$2 million PDL, which, it is understood, was substantially reinsured. The remainder of the \$10 million cover was written in layers of excess here and abroad, principally in London and chiefly in Lloyds.

Several cattle feed mills were involved, but there were four or five principal mills, and some of them settled claims of interested parties, such as those against feed wholesalers and retailers.

Though the loss was a shocker, the insurance, it is understood, has remained pretty much where it was. The

Three-Way A&H Trade Practices Parley Suggested

Director Pansing of Nebraska has sent a letter to the chief officials of the seven major national life and A&H trade associations, FTC, and members of National Assn. of Insurance Commissioners suggesting a three-way fair trade practices conference or its equivalent, "in order to define advertising standards which all might agree to be representative of good practice."

Mr. Pansing's letter in part states:

As you know, there has recently been widespread discussion among various accident and health insurance companies and trade associations as to the advisability of their petitioning the federal trade commission for a "fair trade practices conference." The avowed purpose of such conference would be to devise an advertising code to which most companies as well as the commission itself would presumably be signatory.

It is my understanding that the principal objection to such action is that it might be viewed, at least by the public, the Congress and perhaps state regulatory authorities, as a tacit admission of full jurisdiction in the FTC over all insurance advertising practices. The extent and type of jurisdiction now lodged in the FTC is, of course, a hotly-debated question and an unknown quantity at this time.

Now, since all parties must agree that the whole of the body of jurisdiction over accident and health advertising is vested in the state commissioners and the FTC, jointly or severally, and since the public interest demands speedy solution of the substantive

(CONTINUED ON PAGE 35)

cover was on a "caused by accident" basis but some of the line subsequently was negotiated on an occurrence basis.

Not only was the loss an extremely large one but another unusual feature, it is said, was the settlement of a number of claims under complicated circumstances without resort to suits.

Late News Bulletins . . .

Rules FTC Has Jurisdiction Over Insurers

Jurisdiction of the federal trade commission to police interstate advertising of A&H insurance companies was upheld by FTC Examiner Loren Laughlin who overruled motions of counsel of Life of America, Wilmington, Del., and Guarantee Reserve Life of Hammond, Ind., to dismiss the complaints charging them with false advertising. The decision was in the form of interlocutory orders against the companies. The companies' counsel contended the insurers were adequately regulated by the states in which they were licensed.

ML Bill Recommended, WC Bill Defeated in Ohio

The Ohio house insurance committee has voted down the competitive workmen's compensation bill but has recommended passage of the multiple line bill with a grandfather clause and a rule making clause. The rule making clause gives the superintendent powers to regulate administration of multiple line. The ML bill still has a hard battle ahead, however, with the senate having its own version of the measure. The WC bill was a pet measure of Ohio Assn. of Insurance Agents, and goes down to defeat after concerted action by agents and companies to get it approved.

Poulson Heads Far West Conference

Harry W. Poulson, Boise, Ida., is the new chairman of Far West Conference of National Assn. of Insurance Agents with Paul H. Jones, Tucson,

(CONTINUED ON PAGE 36)

Possibilities of Automation Probed at WUA Meeting

Leonard Peterson and Lloyd Brown Give Reports at White Sulphur Springs

President Leonard Peterson of Western Underwriters Assn. in his address before the annual meeting of WUA at White Sulphur Springs this week, dwelt on the application of automation to fire insurance.

Mr. Peterson, who is executive vice-president of Home, asked if "the day is far distant when dwelling policies, which constitute the great bulk of those issued, will be produced in our own (company) offices by machines instead of being typed by our agents' stenographers?"

The companies already are taking advantage of electronic machinery to expedite clerical tasks, he observed, but the full use is yet to come. Mr. Peterson mentioned the discovery in the WUA offices of the original Union contract, done entirely by hand. Today the task would be accomplished in minutes by the electric typewriter and the photostatic process. Automation will revolutionize business operations of today just as radically in comparison, he declared.

At the same time, the WUA president warned that progress should not be confused with "ill-considered haste."

"We have seen the results of some of the products of the latter method which have been forced on us against our better judgment," he stated. "Even now we are witnessing an attempt to undermine our rating structure by placing an interpretation upon the all-industry legislation that was never contemplated by its originators—all in the guise of serving the public interest, but more likely for selfish gain. If this is progress, then perhaps we must reevaluate our opposition to that ideology which espouses anarchy and chaos."

Advancement in the insurance business, he said, consists of deliberate steps with each one taken after careful examination of its possible affects upon insurer, agent and public.

Lloyd W. Brown, vice-president of Loyalty group in the western department, in his report as public relations committee chairman, commented on the emphasis that has been put on agency education, which he attributed to the growing consciousness on the part of agents and companies of the need to be better informed of the intricacies of the insurance contract. "If the American Agency System survives the onslaught of the direct writers . . . it must



Leonard Peterson

Providence Wins Grand Award in Fire Waste Contest

Winners in Each Class Are Also Announced For Efforts in 1954

Providence, R. I., won the grand award in the national fire waste contest of the National Fire Waste Council, which is sponsored by the U. S. Chamber of Commerce. Winners by population class were Cincinnati, Dayton, Allentown, Pa., Schenectady, Walla Walla, Wash., and Port Angeles, Wash.

The council, which consists of 37 national organizations, brings about better fire prevention methods and encourages progress in development of protection facilities by working through local chambers of commerce.

The top winner and those taking first place honors in each class will be presented a bronze plaque at a breakfast session during the U. S. Chamber's annual meeting in Washington May 3.

The first three honor certificate winners in each class were Class 1 (over 500,000), Chicago, Philadelphia and Detroit; Class 2 (250,000 to 500,000), San Antonio, San Diego and Jacksonville, Fla.; Class 3 (100,000 to 250,000), Hartford, Phoenix and Spokane; Class 4 (50,000 to 100,000), Lexington, Ky., Racine, Wis., and Lakewood, O., Class 5 (20,000 to 50,000), Watertown, N. Y.,

Rock Island, Ill., and Williamsport, Pa.; Class 6 (under 20,000), West Milwaukee, Valley City, N. D., and Naugatuck, Conn.

Crum & Forster Opens Coast Casualty Unit

Crum & Forster has begun casualty operations in its Pacific department. This completes the multiple line development of Crum & Forster which was begun in 1951.

Dennis N. Corwin has been appointed assistant manager and will head the casualty program. He will assist the Pacific department manager, Ward S. Jackson. Earl Bettis will supervise fidelity and surety operation and Vernon Perkinson will be in charge of underwriting. Philip Verhage will be in charge of claims.

Governor Deplores Loss of Compulsory

In commenting on the work of the New York legislature, which has just closed down, Gov. Harriman stated that the legislature failed to respond to his request that it develop legislation to protect the public against financially irresponsible motorists.

This must be made a matter of continuing study and for action at the next session, along with a comprehensive highway safety program, the governor stated.

The statement came as rather a surprise, since the governor had not pushed for this phase of his legislative program, and he secured the postponement for a year of the effective date of the compulsory automobile inspection program.

Arkansas Legislative Scorecard Completed by Governor Faubus

LITTLE ROCK—The 1955 legislative session was "officially" over last week as Governor Faubus completed signing and vetoing bills which the Arkansas general assembly left at his doorstep when it adjourned on March 10. Under the constitution the governor has 20 days to approve or veto bills sent to him at the close of a session.

In retrospect, the session was one in which the insurance industry found itself interested in a host of 30 or more measures covering a wide variety of insurance matters, but scarcely a half dozen found their way onto the statute books. The principal insurance measures enacted are:

Act 89, a new retaliatory tax measure, passed with the blessing of Commissioner Combs, which provides that Arkansas will levy the identical premium taxes, fees, and deposits on foreign carriers which their states levy on Arkansas companies if such levies are greater than the taxes, fees, and deposits which Arkansas normally assesses.

Act 191, a new comparative negligence statute providing that, in personal injury and property damage cases, trial courts shall make findings of fact or juries shall return special verdicts stating (1) amount of damages recoverable if there had been no contributory negligence, and (2) extent to which such damages are diminished by reason of contributory negligence "in all actions . . . including those in which the defendant has had the last clear chance to avoid injury." Passage of this bill was not unexpected in insurance circles. The 1953 legislature passed a similar measure but it was vetoed by then Governor Cherry. Act 191 was said to have been the so-called "model statute" on the subject, reportedly the handiwork of Dean Roscoe Pound of Harvard law school. Act 191 received only a small majority in the house and a bare majority in the senate.

Act 254, which abolishes the office of state fire marshal and, in its place, creates a "division of fire prevention" within the state police department to handle the fire prevention and arson investigation duties previously exercised by the fire marshal.

Act 253, which appropriates \$25,065 for 1955-56 and \$19,015 for 1956-57 for the newly created division. The new division will be under the direction of State Police Director Herman Lindsey.

Act 282, which appropriates \$62,860 annually for the operations and maintenance of the state insurance department for the 1955-57 biennium.

Act 251, which authorizes Arkansas companies or those authorized to do business in the state to invest their funds in negotiable first lien coupon bonds issued by local industrial development corporations organized under the new Arkansas industrial development act of 1955.

Act 119, which strengthens requirements for \$20,000 bond or deposit of securities required of fire, life, accident, health, and miscellaneous casualty companies to guarantee prompt payment of claims.

Quite as important, however, are

UJF Law Amended, Claim Handling Set Up, Board Is Named

New Jersey's unsatisfied claim and judgment fund law has been amended to make the director of the division of motor vehicles a member of the board which administers the fund in place of the state treasurer, and to add to the board as a member the commissioner of insurance. The board becomes established in, but is not a part of, the division of motor vehicles. The functions laid down in the original law for the treasurer are thus transferred to the MV director.

Another change in the law provides that notice of intention to make a claim is to be accompanied by a single itemized estimate of an automobile repair man or itemized bill, instead of itemized estimates of two repairmen or certified itemized bill. The amendment also authorizes the MV director to furnish the board upon request for such uses and purposes as it may deem appropriate any reports or information filed by any persons claiming benefits.

The amended law now provides that the MV director administering the security responsibility law and the board in administering the unsatisfied claim and judgment fund law shall cooperate to avoid duplication and to achieve efficiency and economy.

There is, of course, wide interest in the unsatisfied judgment fund law in New Jersey and its operation. Nothing

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Highlights of the Week's News

Extended coverage losses in Maryland show damage from Hazel Page 16

Coinsurance applied in error is not binding. Texas court holds Page 18

Commissioner Larson of Florida warns that states must regulate firmly, or turn job over to the federal government Page 18

Comprehensive major medical is the answer to hospital-medical problems, Donald Cody says Page 4

Royal-Liverpool gets out booklet on local agency service Page 9

"Stay in Touch" is the theme of the 1955 F. C. & S. guide Page 5

Package policies and their future significance are discussed by James C. O'Connor Page 3

Texas house cuts senate's figures for stock company capital-surplus requirements Page 6

National Board gold medals given to 24 newspapers and radio and TV stations Page 10

New York state brokers ask veto of commission bill Page 11

Kemper companies introduce new auto policy booklet Page 21

Kenneth Black stresses pointing out value of agents in Detroit talk Page 27

Pacific Insurance & Surety Conference meets at Palm Springs Page 7

America Fore names Brode Chicago brokerage manager Page 7

London Lloyds praised for preventing loss when syndicate collapses Page 34

Zone 5 of NAIC meets at Santa Fe Page 34

New York department postpones hearings on Alstastate and North America dwelling filings Page 19

Commissioner Knowlton probes serious aspects of FTC activity Page 36

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John C. Evans retiring at Great America; W. E. Newcomb succeeds Page 1

Unusual products less costs insurers more than \$10 million Page 1

Insurance and Reinsurance

World-Wide Facilities

effected at

Surplus lines • Excess lines

FIRE
MARINE
CASUALTY
AVIATION
AUTOMOBILE

Foreign Risks

Your clients' property abroad can be covered immediately by us through our London office. Why not have one of our fieldmen call and explain how Stewart, Smith can help you cover foreign as well as domestic property. Our facilities include claims and settling agents throughout the world.

LLOYD'S

LONDON

In the United States and Mexico business accepted only from Agents, Brokers, and Insurance Companies. Write for new 1955 booklet which describes all facilities.

STEWART, SMITH (ILLINOIS) INC.

BOARD OF TRADE BUILDING, 141 W. JACKSON BLVD., CHICAGO 4, ILL.

London	New York	Birmingham	Glasgow	Toronto
Sydney	Montreal	Philadelphia	Hong Kong	Chicago

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Package Policies and their Significance to Agents in the Future Discussed by O'Connor

What package policies may mean to the business in general and to insurance producers in particular was discussed by James C. O'Connor, executive editor of the *Fire, Casualty and Surety Bulletins* of the National Underwriter Co., at Pittsburgh I-Day. He said he thought the most fortunate development in the residential property



James C. O'Connor

insurance field in the past year or so was that, for practical purposes, package policies and the broadening of dwelling contents coverages occurred almost simultaneously.

It would have been a lot better from the viewpoint of calmly analyzing the developments, he said, if residence package policies had made their bow a few years ago when fire and extended coverage were the accepted standard forms of protection on dwellings; or if their birth had been postponed a few years, until such time as the broadened forms of dwelling protection had crystallized and become generally understood.

Fundamentally, package policies and broadened dwelling forms are two different things, and they have no necessary connection. A package policy is one which provides a combination of coverages—usually crossing what up to a few years ago was the traditional Mason and Dixon line between fire and casualty coverages—normally at a lower premium than would be charged were these coverages, with the same amounts of limits, written separately. Usually, though not necessarily, they involve coverage of two or more classes of property—such as dwelling and contents—which customarily are insured as separate items.

The important distinction is that package policies are combinations of existing standard coverages—perhaps with a few variations in terms, but not tremendously important ones—while broadened dwelling forms involve coverage against more perils than were previously insured, but which may be used to cover the same properties as the older and more limited forms. A package policy may include the coverage of a new broadened form, or it may have as its basic property protection the terms of an older and more limited form—but, in either case, what makes it a package policy is the fact that it combines this protection with other coverages.

Combination residence policies, under many names and many combinations of coverages, have been on the market for many years, he said. Originally, some of these involved affiliated fire and casualty insurers dividing the protection, but very few included fire insurance on the dwelling and its contents. Insurance historians of the future will probably regard the inclusion of this last coverage as the significant step in creating the package policy of today.

When speaking of residence package policies today, he said he meant contracts which combine, as a minimum, property insurance on the dwelling, contents, some form of theft insurance

(often including other perils) on personal property on and off the dwelling premises and personal liability insurance.

While there are so many independent filings that the number of package policies on the market is very large, he said, in general they fall into two major groups:

1. The homeowners' contracts, filed

by Multiple Peril Insurance Rating Org., Transportation Insurance Rating Bureau, and a number of independent insurers. It provides the essential coverages above, but its important and distinguishing feature is that it has very little flexibility. A modern advertising man might call it "pre-packaged." The combinations are mandatory and, except for liability insurance limits, the amounts of coverage are arbitrary proportions of the amount of insurance on the dwelling. As everyone here knows, the important features are that the amount of insurance, in-

cluding theft, on the contents is 40% of that on the dwelling and 10% of the amount of insurance on the dwelling, with a minimum of \$1,000, applying to contents away from the premises, including theft. The premium is easily computed—actuaries call it "indivisible."

Subject to these and other inflexible standards, there are presently three versions of the homeowners' policy: (1) Homeowners' policy A, which builds its property insurance protection around the coverage of the stand-

(CONTINUED ON PAGE 30)

field memo

AG-EMPIRE
Watertown, N. Y.

Dear Folks,

Spent this morning on the farm of one of agent Bill Smith's clients, Tom Arnhem. What a character—greatest kidder on earth. For instance, when we arrived, we found him peering down his well. "Tom, your car insurance needs renewing," said Bill.

"Can't talk business," said Tom. "My wife Ethel is missing. Can't locate her anywhere. Must have sleep-walked out here last night and fell in the well."

"You're kidding—" said Bill.

"Ain't neither—hear that splashing?"

Bill listened. "But maybe it's just a frog."

"Nope, frogs never splash that loud." He turned to me. "No use renewing now, Ethel did all the driving in this family."

Bill suddenly exploded. "But if it's Ethel, shouldn't you throw her a rope or something?"

"After swimming all night like that, she'd be too tired to climb. Anyhow rope's in the barn—"

"I started running. (Bill wasn't going to lose a client if I could help it!) I was back in ten seconds. "Tom, your car's gone from the barn. Ethel must have it. She's not in the well at all!"

"Well, dogged if that ain't good news. Kinda gotten used to Ethel, all these years." Then he laughed. "Best of all, Bill and me can do business again."

The Ag-Empire Man



The laugh was on us, but we didn't mind. It was like a tonic to Bill. Me? Well, lost people . . . fun-loving clients . . . helping lighten the work load for agents — they're all in the day's work for an Ag-Empire Man.

Like to learn more about how Ag-Empire helps agents hang on to clients? We're easy to write to.

Agricultural
Insurance Company
of Watertown, N.Y.

Friendly
Folks

Empire State
Insurance Company
of Watertown, N.Y.

Urges Comprehensive Major Medical as Answer to Hospital-Medical Problems

As an answer to the problems of over-numerous small claims, abuse of services and facilities, and duplication of benefits, the comprehensive major medical plan was recommended by Donald D. Cody, group actuary of New York Life, at a conference sponsored by the general management section of the American Gas Assn. at Cincinnati.

Mr. Cody said there are perhaps a dozen imaginative employers who have already had the wisdom to undertake this new design.

This plan is a comprehensive major medical program with no underlying traditional coverage. It excludes the small and frequent claims, it incorporates coinsurance so that the employee is interested in every dollar of claim, and it covers all types of hospital, surgical, medical, nursing, ambulance, medicine, and appliance charges regardless of whether hospitalization occurs. It provides a maximum of \$5,000 or \$10,000 toward catastrophic claims and duplication is excluded.

A typical design covers 80% of all medical care charges in excess of the sum of \$50 plus the "basis benefits deductible" for each illness, this deductible being equal to any payments made or the cash value of any services rendered under any group or group remittance program provided by any employer. Maximum payment is \$5,000 or \$10,000 for each illness or related illnesses. Maternity benefits are 80% of all maternity and obstetrical charges up to a maximum of \$200 except for complicated pregnancies where the normal benefits apply. Children are covered from birth.

The idea, said Mr. Cody, permits of considerable variation, but is equally effective from both funding and social standpoints, as long as the essential characteristics are retained. One desirable variation, for instance, is the grading of the deductible from \$50 for the lower-paid people to perhaps \$200 for the highest paid, since costs of major medical coverage increase very rapidly with income level. Another variation is to require no out-of-pocket deductible for hospital charges. However, Mr. Cody feels this latter is not consistent with the basic principles of the coverage.

The cost of such a program depends upon the distribution of ages and salaries, on percentage of females, on the particular location and on other less important factors. In an area where semi-private hospital rooms average \$13 a day and for a large group where employees of all ages and salaries are covered, the monthly cost for non-occupational coverage on the plan described would be \$4.45 for single employees, \$11.73 for an employee with one dependent, and \$15.66 for an employee with two or more dependents.

If the deductible on the comprehensive plan is \$25 instead of \$50, the cost increases by about 40%, while if the deductible is \$100 the cost decreases by about 25%. The cost of such a plan, as Mr. Cody showed by comparative figures, is not very different from the cost of a liberal traditional type of plan in the same area with an adequate premium rate.

Problems with acceptance of this new coverage are that the employee, trained to the reimbursement of small

claims and unaware of the likelihood of medical catastrophe, is initially unappreciative; hospital admission plans will not operate with their present facility; and the medical profession must exercise self-discipline in the face of large amounts of insurance money available.

With respect to doctors' self-restraint, most policies are written to provide for reasonable charges for necessary services and medical society grievance committees have exhibited a cooperative attitude, said Mr. Cody. The medical profession, from the American Medical Assn. to county medical societies, is fully aware that such health insurance programs must be encouraged and that doctors must charge normal fees to people so insured, if health insurance and medicine are to remain in the field of private enterprise. Mr. Cody said he personally had no doubt of the full cooperation of the medical profession and added that the experience of New York Life on major medical coverage has been very satisfactory.

Travelers Opposes Shift of Channel 3 from Hartford

WASHINGTON—Federal communications commission has been asked by Travelers Broadcasting Service to deny a request by channel 16 of Rhode Island, Inc., for a shift of very high frequency channel 3 from Hartford to Westerly, R. I.

Travelers said each of four alternative plans proposed by the channel 16 concern would juggle ultra high frequencies in from three to six cities in order to give Hartford an additional UHF assignment in place of channel 3. Travelers, vying with the Hartford Telecasting Co. for channel 3, contend that the Rhode Island petition opposes channel allocation principles and would result in an inequitable distribution of available TV frequencies.

YOUR CLIENT
has confidence in
YOUR counsel!

- You'll safeguard his interests — and yours
- when you point out the need for a factual appraisal as a sound basis for determining his insurance protection.

THE
LLOYD-THOMAS
RECOGNIZED APPRAISAL AUTHORITIES CO.
4411 Ravenswood Avenue, Chicago 40, Ill.

First for Factual appraisals
since 1910

OFFICES — COAST TO COAST



adequate
protection

The Highland broadsword, sometimes mistakenly called a Claymore, is straight with a broad, flat, single or double edged cutting blade and a distinctive basket hilt.

The 17th Century Highlander with pistols and dirk on his belt, a round target on his back, in one hand a sword and a musket in the other, was perhaps the best armed soldier of his day. Changing conditions, however, outmoded his weapons and today they would offer little protection. Insurance, too, becomes obsolete if it is not adjusted to current conditions. Caledonian takes pride in the century and a half of up-to-the-minute protection its agents have given policyholders.

the Caledonian Insurance Company

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Oldest Scottish Insurance Company
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ALL FORMS CASUALTY
FIDELITY AND
SURETY BONDS
AVIATION

NATION-WIDE
CLAIM SERVICE

AMERICAN FIRE AND CASUALTY COMPANY

HOME OFFICE • ORLANDO, FLA.

'Stay in Touch' Theme of 1955 F.C.&S. Guide

If there was ever a time in the history of the business when insurance men needed to stay in touch with things, this is it. Obviously, this thought has been uppermost in the minds of the editors of *The Fire, Casualty & Surety Bulletins* in putting together the 1955 edition of *Agent's & Buyer's Guide*—off the presses this week. The book, eighth in an annual series, is published by The National Underwriter Company, 420 E. 4th St., Cincinnati 2. It is also available through any of the publisher's branch offices. The single copy price is \$5, with special prices applying to quantity orders.

The popularity of survey and across-the-board insurance selling has moved ahead in recent years—to a point where almost any insurance man does some survey work and most do quite a lot of it. Necessarily, the day is past for laborious, undirected study of risk and exposure and coverage, which, for all of the effort expended, frequently falls flat because of a simple lapse of memory. Slick, quick formulas are at the other extreme.

The *Agent's & Buyer's Guide*—which has a dozen or more important uses among insurance men in virtually every phase of the business—handles the survey problem realistically. Nine of the book's 10 major sections play a direct part in the compilation of a survey. Through them, the producer will be able to get maximum premium-commission-client satisfaction increases with intelligent expenditures of time and money.

Survey-wise, the book revolves around a section called the "Survey Analyzer." This is not a pat formula. Rather, it is a fool-proof survey of a survey—outlining all of the exposures and features which ought to be checked, with scores of particularized notes. Another section, "Survey Coverage Classifier," undertakes the difficult job of categorizing coverages as "essential," "recommended" and "check for special need." Obviously,

Illinois Mutual Agents Set Midyear at Peoria

Illinois Assn. of Mutual Insurance Agents will hold its mid-year meeting at Peoria, Ill., April 21-22. Headquarters are at the Jefferson hotel. The program includes talks by W. C. Jordan, Illinois Inspection Bureau, Peoria; Paul E. Buehler, vice-president, Beacon Mutual Indemnity and John Reed of Chicago.

Also there will be an agency problems forum, a demonstration of a Standard Register and forms, a demonstration of program techniques for mercantile risks and a fire prevention demonstration, and a showing of the film, "Too Young to Burn." Program director is Robert Anderson, Traders Insurance Corp., Peoria.

Heads N. Y. Fire Patrol Unit

J. F. O'Loughlin, assistant U. S. manager of Royal-Liverpool, has been elected chairman of the committee on fire patrol of New York Board and Harry W. Miller, U. S. manager of Commercial Union, vice-chairman. Mr. O'Loughlin, who has been elected vice-president of the board, was also named a director.

the individual insurance man has to make his own decisions on this score, but having an organized list as a starter cuts this chore to minimum proportions.

Four of the book's sections supply up-to-date market information, including markets for coverages which are unusual. Illustrative losses—all of them based upon actual happenings during 1954—cover many different types of insured, peril and types of contract. "It can happen" examples should be in every survey to erase

prospect skepticism.

The "Definitions of Coverages" section of the Guide is a multipurpose group of simple, mostly non-technical descriptions of insurance coverages. The section is an excellent memory-refresher, even for the best informed of insurance men, makes dictating a letter or talking to a client easier, and—for survey work—gives information which can be used as is in the all-important "recommendations" section.

Clearly, the guide is as essential for

brokers. Insurance company executives, managers and field men order early every year and appear to be most interested in the market information. State insurance department officials use the book in many different ways—one interesting procedure being the setting up of "who filed what" files on a basis similar to the "Who Writes What" section of the Guide. Insurance educators and students have shown marked interest and many bureau officials look forward to publication every year.

Financial Statement

DECEMBER 31, 1954

AMERICAN AUTOMOBILE INSURANCE COMPANY

ASSETS	LIABILITIES
Cash in Banks and Offices	\$ 3,912,131.64
U. S. Government Securities	31,372,555.93
Canadian Government Securities ..	1,520,522.27
State and Municipal Securities ..	18,815,558.22
Preferred Stocks	1,975,000.00
Common Stocks, except Subsidiaries	5,049,382.00
(Valuations on basis prescribed by National Association of Insurance Commissioners)	
Stocks of Subsidiaries	21,444,517.90
Real Estate	256,648.60
Agents' Balances (Less than 90 days old)	6,732,413.66
Accrued Interest and Miscellaneous Assets	355,317.26
Total Admitted Assets	\$91,434,047.48
	Reserve for Uncashed Premiums
	\$26,377,347.22
	Reserve for Losses and Loss Adjustment Expenses
	27,817,720.10
	Reserve for Taxes
	2,824,906.35
	Reserve for Expenses and Other Liabilities
	1,595,324.12
	Total Liabilities
	\$58,615,297.79
	Capital Stock
	\$ 3,000,000.00
	Surplus
	29,818,749.69
	Surplus as regards Policyholders ..
	32,818,749.69
	Total
	\$91,434,047.48

Securities carried at \$3,878,206.75 in the above statement are deposited for purposes required by law.

ASSOCIATED INDEMNITY CORPORATION

(WHOLLY OWNED BY AMERICAN AUTOMOBILE INSURANCE COMPANY)

ASSETS	LIABILITIES
Cash in Banks and Offices	\$ 1,048,866.02
U. S. Government Securities	6,816,649.35
State and Municipal Securities ..	5,036,747.45
Preferred Stocks	976,000.00
Common Stocks	4,778,398.00
(Valuations on basis prescribed by National Association of Insurance Commissioners)	
Real Estate	281,836.11
Agents' Balances (Less than 90 days old)	645,237.64
Accrued Interest and Miscellaneous Assets	137,178.31
Total Admitted Assets	\$19,720,912.88
	Reserve for Uncashed Premiums
	\$ 860,295.50
	Reserve for Losses and Loss Adjustment Expenses
	6,297,778.09
	Reserve for Taxes
	714,662.18
	Reserve for Policyholders' Dividends Declared
	704,902.48
	Reserve for Expenses and Other Liabilities
	127,713.07
	Total Liabilities
	\$ 8,705,351.32
	Capital Stock
	\$ 1,000,000.00
	Surplus
	10,015,561.56
	Surplus as regards Policyholders ..
	11,015,561.56
	Total
	\$19,720,912.88

Securities carried at \$3,965,592.44 in the above statement are deposited for purposes required by law.

AMERICAN AUTOMOBILE FIRE INSURANCE COMPANY

(WHOLLY OWNED BY AMERICAN AUTOMOBILE INSURANCE COMPANY)

ASSETS	LIABILITIES
Cash in Banks and Offices	\$ 989,511.30
U. S. Government Securities	10,488,509.98
Canadian Government Securities ..	110,273.10
State and Municipal Securities ..	6,050,321.92
Preferred Stocks	2,078,000.00
Common Stocks	2,531,061.00
(Valuations on basis prescribed by National Association of Insurance Commissioners)	
Agents' Balances (Less than 90 days old)	3,104,391.04
Accrued Interest and Miscellaneous Assets	380,562.93
Total Admitted Assets	\$25,732,631.27
	Reserve for Uncashed Premiums
	\$12,389,670.73
	Reserve for Losses and Loss Adjustment Expenses
	1,167,556.00
	Reserve for Taxes
	989,611.40
	Reserve for Expenses and Other Liabilities
	756,836.80
	Total Liabilities
	\$15,303,674.93
	Capital Stock
	\$1,200,000.00
	Surplus
	9,228,956.34
	Surplus as regards Policyholders ..
	10,428,956.34
	Total
	\$25,732,631.27

Securities carried at \$609,595.61 in the above statement are deposited for purposes required by law.

AMERICAN-ASSOCIATED INSURANCE COMPANIES • SAINT LOUIS 2, MISSOURI



LOOKING AHEAD!

Maybe the competition everyone is talking about isn't bothering you a bit right now and, it's possible, though not probable, that it never will.

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Tex. Senate Increases for Insurer Capital Are Cut in House

AUSTIN—The Texas house insurance committee has made substantial reductions in the proposed increase in capital and surplus requirements for fire and casualty insurers. This was as anticipated.

The house version reduces the \$500,000 aggregate capital and surplus necessary for multiple line companies to \$300,000 and broadens the investment rules so that up to 50% of capital stock can be placed in municipal bonds or insured first mortgages. The house also favors a plan to give existing companies ten years to comply with the new requirement instead of the senate-proposed five years.

The senate has passed the bill raising the financial requirements of life, A&H companies to a capital and surplus of \$375,000, and it is thought that this figure also will be reduced by the house.

The house has approved a new bill to set up an assigned risk pool for automobile insurance modeled after the workmen's compensation's pool, with the automobile plan designed to replace the voluntary arrangement used by the insurers. Under the plan, any person eligible for a driver's license could get insurance.

Legislation designed to broaden the powers of the board of commissioners seems to be favored by both houses. Among the bills on this score is one to provide for actions by the board rather than independent action of the three commissioners. Another provision calls for more frequent examinations of new companies, and another gives the board authority to pass on the management personnel of old as well as new companies.

In view of the possibility for more authority, the house has made an appropriation of \$1,788,794 to the insurance department as compared with the current appropriation of \$1,492,368. The board had asked for \$1,915,000, which the governor had changed to \$1,794,000.

The legislation as advocated by the attorney-general has been introduced. These bills provide penitentiary terms from two to 10 years for such offenses as making false valuations of real estate and false statement in connection with annual reports, or for the conversion of company money or property to personal use by an officer or employee of an insurer.

Jury Increases Award \$70,000 in New Trial

A New York marine surveyor who was awarded \$230,000 by a New York supreme court jury last year for the loss of his right leg only to have it reversed by the appellate division on technical grounds, won a \$300,000 award in a new trial. The surveyor, Frank F. Koehler of Brightwaters, N.Y., lost his leg while inspecting a bulkhead for Grace Lines, which was defendant in the case along with Huron Stevedoring Co. During the case the jury interrupted its deliberation to ask Justice Lupiano if it could award more than the \$300,000 for which Mr. Koehler sued. The court said it could not.

The Jaffe forum May 12 in New York City will feature the block policies. It is sponsored by the Alfred I. Jaffe agency.

Audubon of Baton Rouge is now writing residence and outside theft, and a comprehensive glass policy.

FIA Appoints Fay Eastern Manager; Other Changes Made

Factory Insurance Assn. has made a number of personnel changes, including appointing W. P. Fay manager of the eastern regional office succeeding J. H. Germain, with the association since 1929, who has gone with Johnson & Higgins. He had been manager since 1948. Mr. Fay, with the association since 1914, was made an assistant manager in 1948.

C. S. Linde, field manager at New York since 1950, has been transferred to San Francisco as executive assistant. He will be succeeded by W. C. Potter, who has been New York assistant field manager.

H. G. Butterworth, who has been an executive assistant, now becomes assistant manager in charge of nationwide business; W. C. Saltmarsh, executive assistant at Hartford, becomes assistant manager in charge of new business, and J. H. Keenan, who has been serving as executive assistant for New York and New Jersey, assumes the post of assistant manager in charge of underwriting.

R. M. Taft has been transferred from Atlanta, where he was field manager, to Hartford as executive assistant. R. M. Cromack was shifted from special agent to take charge at Atlanta.

F. J. McClain, who has been chief engineer of the Pacific regional office at San Francisco, was made assistant manager there.

Travelers Publishes New Safety Booklet

Travelers has published a new highway safety booklet, "Misguided Missiles", which is available at no cost from any Travelers agent or from the home office. The 29 page booklet highlights bad driving techniques in clever cartoons and points out the accident experience for 1954 in comparison with 1953.

The statistics show that 3,000 fewer persons were killed in highway accidents and that injuries went down 180,000. They also indicate that excessive speed, failure to grant right of way and driving on the wrong side of the road constitute 75% of the driving errors which resulted in death and injury.

Dallas Casualty Men Elect

James A. Johnson has been elected president of Dallas Casualty Underwriters Assn. Other new officers are Leon E. Embry, secretary-treasurer, and Robert L. Edlich and D. A. Reid, vice-presidents.

WANTED UNDERWRITERS

At the present time there is an excellent selection of all types of underwriters positions throughout the country from a top Home Office Fire Underwriting Manager in the east at \$15,000 to a casualty underwriter's trainee position on the west coast at \$300 per month.

Pick your location—We have positions there.

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April 7, 1955

Insurance & Surety Conference Meets at Palm Springs

Pacific Insurance & Surety Conference was in session the first part of this week at Palm Springs, Cal., with Ralph L. Inglis, Founder of Los Angeles, presiding as president.

On Monday morning there was a panel discussion of casualty insurance public relations with Albert H. Wood, manager and director of public relations for Western Insurance Information Service, as moderator. Those participating included Karl F. Vesen, executive vice-president of Houston Fire & Casualty; Ralph C. Lewis, executive vice-president of Rainier National, and James T. Blalock, vice-president of Pacific Indemnity. The luncheon speaker was Shelby Cullom Davis, the insurance stock analyst of New York. In the afternoon there was a panel discussion on casualty underwriting problems, moderated by C. R. Herda, vice-president of Pacific Indemnity and Frank H. Methmann, assistant vice-president of Fireman's Fund group. W. Russell Langtry, vice-president of United Pacific, and Carl J. Nellany, automobile manager of Swett & Crawford, participating.

Tuesday there was a session on surety coverage and reinsurance in which the participants were A. C. Taylor, vice-president of American Automobile; T. A. Long, executive vice-president of National Fire of Hartford group; Earle A. Davis, vice-president of Pacific Indemnity, and Frank A. Proper, president of Employers Reinsurance. A. Douglas Mennie, Industrial Indemnity, was moderator. There was a panel discussion by the tax committee on how the 1954 internal revenue code affects fire and casualty companies, and the speaker at the luncheon was Commissioner McConnell of California. In the afternoon Joseph Morrison, vice-president of Industrial Indemnity, moderated a panel discussion on "Atoms and Insurance."

New officers were elected Wednesday morning, and following the business meeting there was a discussion on workmen's compensation problems by John C. Setherland, president of Allied Compensation, and James R. Deering, president of Guarantee of Los Angeles with Raymond A. McGuire, executive vice-president of Pacific Employers, as moderator.

Kemper Farm Insurer Agents Get Life Facility

A large percentage of the agents of American Farmers Mutual of Illinois, a member of the Kemper group, also now represent Fidelity Life of Fulton, Ill.

Two officers of Lumbermens Mutual Casualty, N. C. Flanigan, vice-president, and Chase M. Smith, general counsel, have been elected to the board of Fidelity Life, a mutual legal reserve life company which had operated as a fraternal benefit association until 1953. At the first of the year it had about \$70 million of insurance in force.

Competition from other insurance groups specializing in the farm market led to the arrangement between American Farmers and Fidelity Life, according to Mr. Flanigan, who said today's typical farm agent needs a life connection. All of the giants in the farm field, such as the State Farm companies of Bloomington, Ill., the various groups of

farm bureau companies, and Farmers Exchange of Los Angeles, offer their agents full property and life insurance facilities. Farmers of Los Angeles only a couple of years ago bought a life company, then New World Life of Seattle, so that its agents could offer an across the line service.

Mr. Flanigan said the arrangement with Fidelity presently affects only American Farmers' agents. He said, however, eventually there may be some development along this line for agents of other Kemper companies.

Brode Named to Chicago Post by America Fore

Walter H. Brode, who has been state agent in southeastern Wisconsin for Continental and American Eagle of the America Fore group, has been appointed brokerage department manager in the Chicago and Cook county department to succeed A. R. Miller, who has been named Cook county manager.

Mr. Brode has been with America Fore since 1929 when he started as a scholarship student while at Northwestern University. He was assigned to the field as inland marine special agent in 1935, and in 1936 was transferred to Minnesota as special agent in all departments. He moved to the Iowa field in 1944 and to Wisconsin in 1952. He is a past president of Wisconsin Fire Underwriters Assn.

Mr. Brode will be succeeded in the southeastern Wisconsin field by Charles H. McMillion, who has been representing Niagara in the entire state.

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is insurance sold in your community by a local agent who is qualified by training and experience.

He is advisor without prejudice in a field requiring specialized knowledge.

Rely on your Local Agent

for advice on insurance for your home, insurance for your car, and insurance for your business. Ten thousand local U.S.F. & G. agents provide this service throughout the United States and Canada.

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This is one of a series of advertisements appearing in TIME, BUSINESS WEEK, NEWSWEEK and NATION'S BUSINESS, designed to help increase your business.

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FIDELITY-SURETY BONDS

United States Fidelity & Guaranty Company
Baltimore 3, Maryland

Fidelity Insurance Company of Canada
Toronto, Ontario



Problem of Care, Custody and Control Increased by Recent Court Decisions

Judicial interpretations on "care, custody, and control" have recently varied widely, Frederick A. McElroy, assistant supervising attorney of Fidel-

ity & Casualty, said in his talk at Pittsburgh I-Day.

Many agents have been sure that if the claim concerned property over which insured, at the time of the accident, possessed the right of control, the damage was not covered even though insured may not have been exercising that right of control at the time of the accident.

In the case of Great American vs Saltzman it was decided by the U.S. court of appeals that a trespasser does not have control of a property. The case arose when insured entered, without authority, knowledge, or consent of the owner or operator, the cockpit of an unoccupied and unguarded airplane to inspect its mechanism and gadgets. He did not intend to start the plane in motion, but did by accident and was unable to set the brakes or turn off the engines. The aircraft crashed into a hangar, causing substantial damage.

Judgment was recovered against him. Great American, his personal liability insurer, declined to defend contending that his liability resulted from the use of an aircraft, which was not an insured liability, and the damaged property was used by, rented to, or in the care, custody, or control of insured.

The court held that insured was a trespasser and the words "care, custody, or control" as they are used in the exclusionary provision of the policy, connote a lawful, normal and customary situation. They do not contemplate that a trespasser inspecting the aircraft has either the care, custody or control of it. The circuit court held the term "use" means the ordinary use or employment of the property and insured was not using the plane in the customary manner anticipated in the policy.

In the case of McLouth Steel Corp. vs Mesta Machine Co. and Foster, the latter also third-party plaintiffs vs Hartford Accident, district court for eastern Pennsylvania and U.S. court of appeals held that "control" did not mean temporary control, but contemplated a proprietary type of control. The insurer was held liable.

While employers of Foster, a subcontractor engaged to install a roll-grinder on the premises of McLouth Steel, were leveling the base for the grinder, two steel cables holding it broke, causing it to drop, resulting in substantial damage to it. The court found the accident was caused by Foster's negligence in using worn and weakened cables. Foster contended his policy with Hartford Accident indemnified him against the loss, but Hartford said there was no coverage because of the care, custody, and control exclusion.

In a dissenting opinion in the case, the judge noted that Foster had possession of the grinder at the time of the accident, but, because he did not own

it, the lower court had said he did not control it. That ruling is contrary to the ordinary definition of control quoted by the Foster and contrary to settled decisional law, he said.

Akin to the problem, Mr. McElroy said, is the one of determining what constitutes "caused by accident" as used within a policy contract. Agents attempt to determine whether or not the incident or event constitutes an accident as to named insured only, he said. The courts would never make a serious attempt to hold that any interpretation of "caused by accident" is to be construed from the viewpoint of the person injured or damaged, he said.

The decision of St. Paul-Mercury Indemnity vs Calvin T. Rutland, d/b/a Rutland Contracting Co., reported in the Mar. 3 issue of THE NATIONAL UNDERWRITER, is of great importance to insurance if it is allowed to stand, Mr. McElroy said.

The court found that this accident, in which an automobile truck collided with a freight train, causing damage to 16 railroad cars and their contents and the roadbed, was a general accident but the injury to each individual was a separate accident. It held that the words "each accident" as used in the policy, must be construed from the point of view of the person whose property was injured.

Mr. McElroy said he hopes the case will be reviewed by the U.S. Supreme Court. The decision establishes a definite tendency on the part of the courts continually to broaden the interpretation of policy provisions, in some instances, to an extent that they embrace coverage far beyond the wildest intentions of the underwriters. Continuation of this trend can only serve to force insurers to rewrite the policies and add more provisions written in more legalistic terminology, he said.

Oregon House OK's Bill Requiring Mutuals to List Surplus

The Oregon house has passed a bill requiring mutual companies with less than \$100,000 surplus to print on policies an explanation of the policyholders' liability.

Acquire Three N. J. Agencies

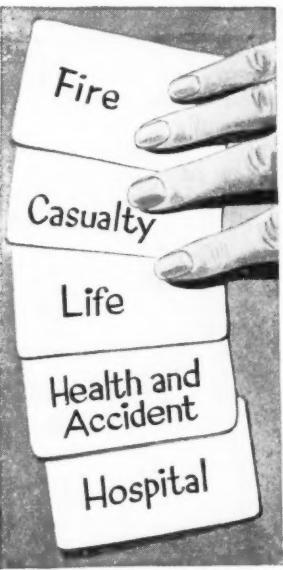
James D. Mackey, vice-president of Bergen County (N. J.) Assn. of Insurance Agents and Dumont local agent has expanded his agency by purchasing the J. C. Threnheuser agency at Teaneck, the Thomas J. Edwards agency at Norwood, and controlling stock interest in the Harry Womersley agency at Rochelle Park. He will continue to operate the Womersley office at its present address but will service the Threnheuser and Edwards accounts out of his Dumont office.

New Insurer Bill Moves in Conn.

The insurance committee of Connecticut legislature heard testimony on a bill which would authorize Capital Ins. Co., a new insurer which was also proposed in the last legislature. Julius Schatz, West Hartford attorney, appeared for the bill. The insurer would be multiple line and have a capital of \$1 million.

112 Eligible for IIA

Results of the January examinations of Insurance Institute of America indicate that 112 persons are eligible to become alumni members. Most persons who completed the requirements for the final certificate in January had passed one or more of the examinations in previous periods. The next examination series will be May 23-25.



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Insurance Company
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MANY OF THE COMMON FOODS we eat today are the results of his remarkable experiments. Among the plants he developed were the Burbank potato, the Shasta daisy, the spineless cactus and the white blackberry.



BORN IN LANCASTER, MASS. he was interested in nature as a boy. Later he found his true vocation, when he became a market gardener and raised seeds.

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Royal-Liverpool Gets out Booklet on Local Agent Service

Royal-Liverpool group now has ready for distribution a handsome, four-color, 8½ by 11 inch booklet which presents the services of the local agent. Designed for use by the agent to mail to customers and prospects, the booklet already has been highly commended by the many agents with whom its contents and general layout have been discussed. Though the piece is just now available in quantities, before printing, more than 50,000 had been ordered by producers. Some of the agents insisted upon sending in checks for the booklet before seeing it in its final form.

Royal-Liverpool, which is subsidizing the booklet and charging the local agent only a nominal price, has found the interest in it so lively and widespread that the group is making it available not only to its own 20,000 agents over the country but to any agent or broker who is interested, as a contribution to the agency system. The Royal-Liverpool name does not appear on the booklet.

The booklet not only tells the story of the local agent (brokers in New York city and Brooklyn) but is laid out and illustrated in such a way as to personalize it for the local agent mailing it. The agent who desires to do so may take the last two pages and, by furnishing pictures and copy to Royal-Liverpool, have those two pages devoted to his agency, scenes from his office, etc. The headings for the chapters are illustrated to emphasize that it is the local agent who is telling the story.

Entitled "Your Insurance Program Is as Good as Your Agent", the booklet is an extensive effort by Royal-Liverpool to provide an answer to the questionings and criticisms of the agency system, the discussions of whether the local agent is worth his commission, and the widely expressed need of the agent to justify what he is paid. The text crystallizes the services that the agent renders; it sets forth the qualities and services which have brought him to his preeminent position in the distribution of insurance today.

The suggestion of Royal-Liverpool is that the agent send first class one of the booklets to every customer on his books, and that the mailing be followed by phone or personal contact, particularly with those customers who have only one or two policies with the agency. The manner in which it is

Neb. Mutual Companies Assn. Elects Dederman

Harry Dederman of Farmers Tornado was elected president of Nebraska Assn. of Mutual Insurance Companies at the annual convention at Lincoln. Other officers are C. B. Bull of German Farmer Mutual Fire of Douglas county, vice-president, and Charles Zimmerman of Battle Creek Mutual, who was reelected secretary.

Members passed a resolution favoring a bill under consideration by the legislature which would provide for organization of a fire protection district in an area having 200 homes and an assessed valuation of \$1 million. Resolutions also were passed opposing a bill prescribing when question of negligence shall be submitted to the jury in damage suits and another providing that rules dealing with liability of a motor vehicle operator shall not affect rights of persons under 21 who accept invitations to ride.

written and laid out should secure for it a very high degree of readership.

One agent intends to use the booklet in connection with welcome wagon service on his own. Another commented that he doesn't know how many customers he is losing, but this certainly would help keep customers on his books.

The text itself emphasizes that "you (the customer) must get the kind of protection you need. That's exactly our job as we see it."

"Inadequate Protection—the Hidden

Bomb," is the title of one subhead. The danger of underinsurance is brought home through stories. These stories bring out the local agent's availability and responsibility, the wisdom of keeping the insurance program up-to-date, the values of personalized service, etc.

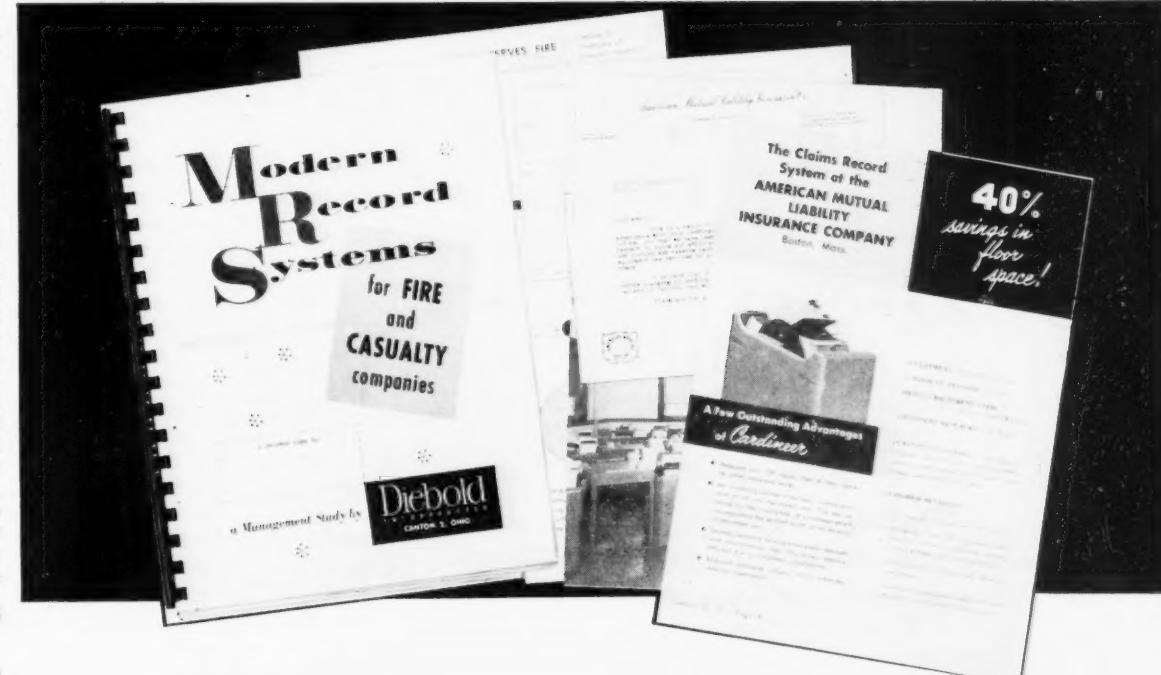
No two people have the same insurance needs, the booklet states. No two people experience the same changes in circumstances. The local agent stays on top of insured's problems.

A good deal of attention is devoted to the way the agent can be and is helpful to insured when there are serious accidents.

The agent points out in the booklet to his customer that the latter is not just a code number in the agency's filing system but a neighbor and friend as well as a client. It ends with the suggestion that the agent would like to discuss with the insured his insurance problems and analyse his entire insurance program with the idea of making constructive recommendations.



Changing Costs to Profits is theme of 82-page illustrated Management Study for Insurance Executives . . .



Attention! . . . fire, casualty and marine insurance executives. Here is a simplified study full of ideas for improving insurance record systems, and reducing time and space costs. It's practical . . . case histories provide yardsticks for direct comparison with your own systems. It's impartial . . . shows rotary, vertical and visible filing equipment in use. It's new . . . including latest developments in equipment. For example, it shows how the motorized Super Elevator File has revolutionized the handling of mass-records at a new all-time low in costs.

Reserve your personal copy of this management study that shows how insurance companies are saving as much as 50% in record keeping time and space costs. Call today or use the convenient coupon. There is no obligation.

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974 Mulberry Rd., S. E., Canton 2, Ohio
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management study, "MODERN RECORD
SYSTEMS FOR FIRE AND CASUALTY COMPANIES" for:
Individual _____ Title _____
Firm _____
Street _____
City _____ Zone _____ State _____

National Board Awards Go to 24 Radio, TV Stations, Newspapers

Gold Medal awards of National Board to newspapers and radio and TV stations for outstanding public service in fire prevention and fire safety during 1954 went to *Kalamazoo (Mich.) Gazette*, *Illinois Valley News*, *Cave Junction, Ore.*, radio station *KANS*, *Wichita, Kan.*, and TV station *WBZ-TV, Boston*.

In the daily newspaper class honor

citation awards went to *Twin City Sentinel, Winston-Salem, N. C.*, and *Commercial Appeal, Memphis, Tenn.*; first honor awards, *Tuscaloosa (Ala.) News*, *Anderson (Ind.) Herald-Bulletin*, *Antioch (Cal.) Ledger*, and *Utica (N. Y.) Daily Press*.

In the weekly field, *Montclair (N. J.) Times*, first honor award, *Ord (Neb.) Quiz*, second, and *Franklin (La.) Banner-Tribune*, *Blackduck (Minn.) American*, *Carteret County News-Times*, *Morehead City, N. C.*, *Shakopee (Minn.) Valley News*, *Western Hills Press, Cincinnati*, and *Garden*

City (Mich.) Guardian.

Radio stations receiving honor citations are *WOWO, Fort Wayne, Ind.*, first honor award, *WHO, Des Moines, second*, and *WHLB, Bloomsburg, Pa.*, and *WMUB (FM), Oxford, O.*

TV stations, *MAR-TV, Baltimore, first*, *KTTS-TV, Springfield, Mo.*, *WFMY-TV, Greensboro, N. C.*, and *WHAM-TV, Rochester, N. Y.*

Judges were Al Beissert, photo editor of *Newark (N. J.) Evening News*, Charles Kiley, night city editor of *New York Herald-Tribune*, Lowell Limpus of *New York Daily News*, and Michael Rutman, promotion manager of *Newsday*, daily class; Byron V. Cook, editor of *Publishers' Auxiliary*, Don Robinson, editor of *American Press*, and Miss Nancy Mahood, editor of *National Publisher*, weekly class; and Mrs. Elizabeth Butterfield, assistant director of educational activities of *WAAT* and *WATV*, Newark, N. J., Robert N. Pryor, vice-president in charge of public relations, *WCAU* and *WCAU-TV, Philadelphia*, and Lloyd Jacquet, general manager of *WGHF (FM), New York City*, radio and TV.

Va. Agents Schedule Educational Meetings

Virginia Assn. of Insurance Agents has scheduled five regional education meetings for April. Speakers will be T. F. Leuscher, assistant resident manager of Employers group, Philadelphia, who will describe the new look in workmen's compensation, and Robert Burns, president of American Agency Management Bureau, who will discuss short cuts to profits.

Meetings will be held at *Martha Washington inn, Abingdon, April 18*; *Natural Bridge hotel, Natural Bridge, April 19*; *Fauquier White Sulphur Springs, Warrenton, April 20*; *Williamsburg lodge, Williamsburg, April 21*, and *Grace hotel, Clarksville, April 22*.

Summit F. & S. License Is Revoked in Mass.

Commissioner Humphreys of Massachusetts has revoked the license of *Summit Fidelity & Surety of Ohio*, effective April 15, as a result of irregularities disclosed during the investigation and trials resulting from the escape of a criminal from a Boston jail.

Included among Humphreys' findings was that the company "wilfully failed" to file its rates with the insurance department and that the company "never legally qualified for admission to transact business" in the state.

Ingebretsen Is Named

Phoenix of Hartford group has appointed Harold B. Ingebretsen superintendent of the casualty and bonding division in the mountain states' field. He augments the staff of General Agent Henry W. Schwartz, State Agents Henry M. Howland and William N. Johnson and Special Agent John B. Blake and will make his headquarters in the group's new district office in the University building, Denver.

Neb. Driver Training Bill Vetoed

Governor Anderson of Nebraska has rejected a bill which asked for an increase in fees for drivers' licenses, with funds to be used for a driver training program in high schools. Admitting that the purpose of the bill was worthwhile, the governor indicated that funds provided by the measure would not be adequate for financing the training program.

Pearl-American group has been licensed to do fire, automobile PHD and inland marine business in Massachusetts.

Eblin, Park Moved Up by GAB; Shannon Charleston Manager

General Adjustment Bureau has named Clark A. Eblin executive general adjuster of the eastern department, John W. Park assistant general manager of the Pacific coast department, John A. Shannon manager at Charleston, W. Va., succeeding Mr. Eblin and Douglas T. Fuller general adjuster for West Virginia.

Mr. Eblin, who will make his headquarters in New York, joined GAB in 1937 at Wheeling, W. Va., and in 1946 was named manager at Parkersburg. He became Charleston manager in 1948 and in 1953 was named general adjuster for West Virginia in addition to his other duties.

Mr. Park, who has been executive assistant in the San Francisco office since 1949, joined GAB in 1942 at Los Angeles and a year later was named supervisor of the automobile and casualty division at San Francisco. He entered the business in 1927 with L&L&G. From 1929 until 1942 he was vice-president and general adjuster of Dearborn National and Great Lakes Casualty.

Mr. Shannon has been with GAB since 1946. He started at Wheeling and in 1949 transferred to Charleston. The following year he was made manager at Parkersburg and in 1954 became assistant manager at Charleston.

Mr. Fuller will continue as manager at Huntington, W. Va., in addition to his new duties. He joined GAB at Elmina in 1931 and later that year transferred to Charleston. In 1937 he was assigned to Huntington and the following year was appointed adjuster-in-charge at Wilmington, Del. After service in the second world war he was assigned to Baltimore and in 1946 was appointed Huntington manager.

Card Set for Minnesota Buyers Clinic, April 26-27

Workmen's compensation will be a major topic of the insurance buyers clinic to be sponsored by the Minnesota CPCU and the University of Minnesota April 26-27. Other subjects to be reviewed are contractual liability and fire insurance problems pertaining to construction. A special informal discussion session has also been planned.

Speakers will be Kenneth M. Hough, Frank Howard and John Jamieson, all of the CPCU chapter, and Attorney John Prins.

To Select Bowen Award

Joseph A. Neumann of Jamaica, N. Y., president of National Assn. of Insurance Agents, has appointed Gustave H. Niemeyer of Westport, Conn., as the fourth member of the judging committee of the Bowen Public Relations award committee. Mr. Niemeyer recently retired from the presidency of Hanly & Harman in New York City, is president of First National Bank in Westport, Conn.

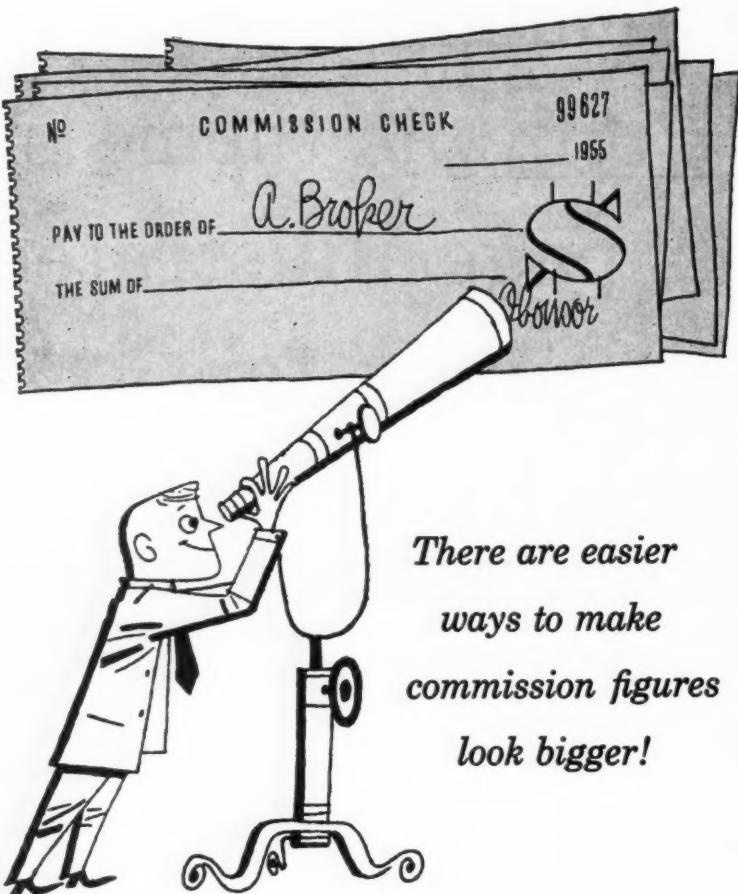
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Fort Wayne. Large gen'l. agency representing Bureau Stock Co. Excellent potential. \$5,000.

LLOYD'S FIRE & CAS. UND.
2nd man in dept. Large gen'l. agcy. and brokerage firm. \$6,000.

FIRE SPECIAL AGENT
Illinois. Headquarters Springfield area. Old Line Stock Co. with liberal agency contract. \$7,000.

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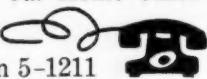
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commission figures
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Veto of Commission Bill Is Requested by N. Y. State Brokers

Insurance Brokers Assn. of New York State has asked Gov. Harriman to veto the Kalish bill which would enable fire and casualty company organizations to fix, by agreement, commission rates payable to brokers and agents.

The association is opposed to the legislation, which was sponsored by Brooklyn Insurance Brokers Assn., because "(1) such organizations are not needed in the public interest, and (2) because the bill is completely one-sided and confers no valuable right on organized brokers agents."

In a letter to members asking them to request Gov. Harriman to veto the bill, the association said company organizations to fix commissions by cooperative action have been outlawed since about 1947 and "We have opposed their re-establishment.

"Recognizing, however, that a different view was entertained by others, it has been our policy that if such organizations had to come about, organized producers should have not only the right to be heard but should be a necessary party. This bill does not even confer the right to be heard. It authorizes only 'organizations of insurers to establish standards and adopt through voluntary cooperative action rates of commissions to be paid licensed brokers or agents.'

Another portion of the bill says that its provisions shall not abridge the right of licensed insurance brokers or agents to engage in voluntary cooperative action pertaining to commissions to be paid them by insurers. The association says it believes that this gives the brokers no valuable right; that while saying it does not abridge a right, it is by no means clear than any right exists to be abridged.

The letter also notes that even with legislative sanction the bill may still violate the anti-trust laws.

Others opposing the bill are Greater New York Brokers Assn., New York State Assn. of Insurance Agents and General Insurance Brokers Assn. of New York.

Mass. Insurance Brokers Schedule Work Meeting

Insurance Brokers Assn. of Massachusetts will hold an all-day work meeting April 26 at Hotel Somerset, Boston.

Speakers and their topics will include William J. Bradford, Jr. of Chubb & Son, New York, yacht and boat insurance; Henry J. Griswold, CPA, of E. H. Griswold Co., Boston and Portland, what brokers should know about the 1954 tax law; Richard A. Winslow, general counsel of the Boston, legal liability coverage; Gardner Brown, Boston manager of Atlantic-Centennial, multiple line contracts; Robert M. Morrison of the Boston law firm of Morrison, Mahoney & Perlman, insurance problems in an era of atomic energy, and Robert Lawless, superintendent of agency management service division of Phoenix-Connecticut group, legal agreements and profit sharing plans for agencies.

Kraus Again Heads TIS

James C. Kraus has been re-elected chairman of the committee of Management of Trained Insurance Specialists of New Orleans. Other officers named were Joseph V. Altobello, vice-chairman; Bela A. Lynne, secretary, and Irving M. Jacobs, treasurer.

Also elected to the committee were Maurice J. Delord, Charles A. Garic,

Archie T. Higgins Jr., Richard S. Lochte and Samuel C. Vreeland.

Iron Safe Clause Waived by Agent's Knowledge

The Mississippi supreme court has ruled that the iron safe clause was waived in the case of Continental vs Thrash, 8 CCH (fire & casualty) 588, in which the insurer appealed a judgment for plaintiff in an action to recover on four policies for merchandise and fixtures which were destroyed when Thrash's store was burned.

The evidence showed that when insurer's agent issued the policies she

was aware that Thrash did not keep his books and records in an iron safe as was required by the policies. The court held that where the agent approved insured's method of safekeeping his books and records, failure to keep them in an iron safe as was required by the policies was waived. The judgment for Thrash was affirmed.

N. Y. Impoundment Bill Lost

The bill in the New York legislature which would have empowered the state to impound uninsured automobiles involved in accidents has been defeated. The measure, which would

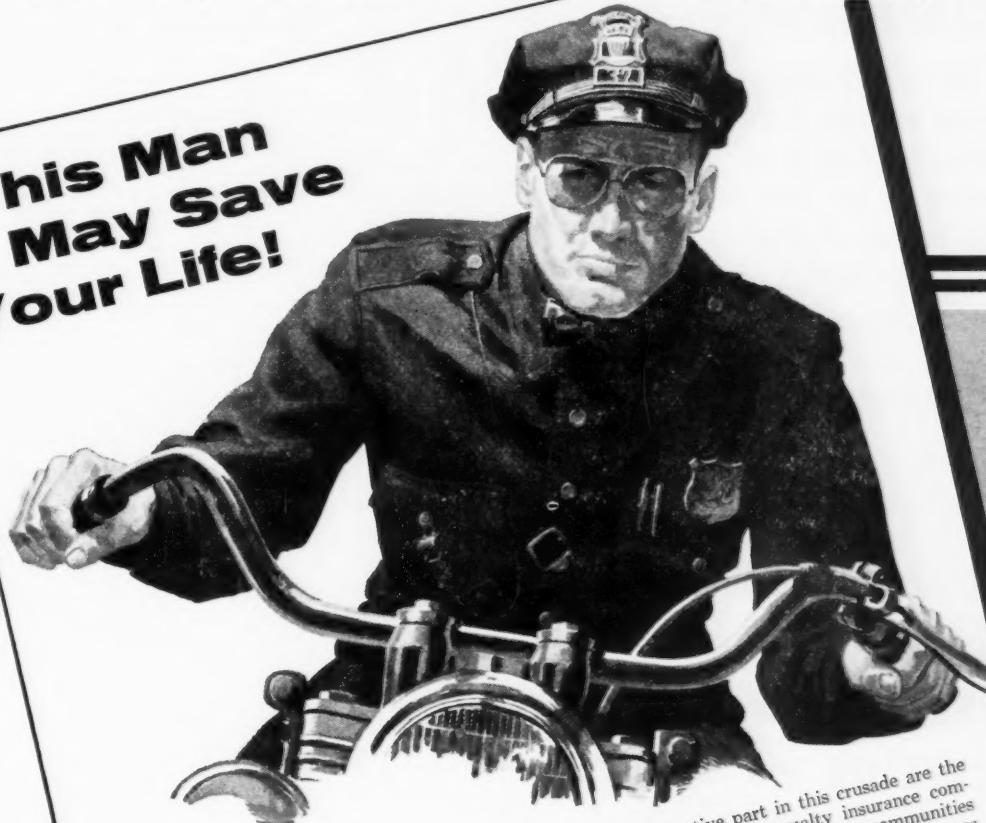
have kept cars impounded until damage claims had been satisfied, was regarded favorably by the insurance business.

Del. Auto Bill Moves.

The Delaware senate has approved a bill that would require motorists to carry 10/20, double the existing requirement. Coverage for property damage would be increased from \$1,000 to \$5,000.

North Carolina Assn. of Mutual Insurance Agents has purchased group life and hospitalization from State Capital Life of Raleigh.

**This Man
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AT GREAT DANGER to his own life and limb, he patrols the highway to curb reckless, careless and drunken drivers—killers whose victims number more than 38,000 killed and 1,300,000 injured in the past year.

His very presence lessens your danger—increases your safety—may save your life. He deserves your respect and co-operation... He plays a major role in the Crusade For Traffic Safety to solve what the President of the United States calls "a national problem of first importance."

Taking an active part in this crusade are the capital stock fire and casualty insurance companies. Their traffic experts help communities study specific problems and eliminate the causes of mounting accidents.

Yes—safety on our highways is everybody's responsibility! Join the Crusade For Traffic Safety and save a life—maybe your own!

For the name of a nearby America Fore agent call Western Union by number and ask for Operator 25.



* The Continental Insurance Company
* Niagara Fire Insurance Company
* The Fidelity and Casualty Company of New York

* Fidelity-Phenix Fire Insurance Company
* American Eagle Fire Insurance Company

This is America Fore's current national advertisement. It is one of a public relations series designed to inform the public about capital stock insurance and the importance of the services of the agent and broker.

Appearing in:

★ THE SATURDAY EVENING POST ★ LIFE ★ FORTUNE
★ NATIONAL GEOGRAPHIC ★ TIME ★ NEWSWEEK
★ SUCCESSFUL FARMING ★ BETTER FARMING

Schwab Raps Stock Insurers at Buffalo

The capital stock insurance business

was criticized for "its failure to solve the financially irresponsible motorist problem" and for "its lack of long-range planning" by Arthur L. Schwab,

president of New York State Assn. of Insurance Agents, at Buffalo Insurance Day.

Mr. Schwab said the business "just apparently steers from crisis to crisis. Where there is no crisis we just seem to drift." He suggested more direction and better communication between segments of the business.

He said he feels the problem of the financially irresponsible motorist will be solved somehow, "perhaps not to our liking at all."

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- ★ ATTRACTIVE CONTRACTS
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- ★ RATED "A" BY BEST'S
- ★ PROMPT and FAIR CLAIM SERVICE
- ★ ENTHUSIASTIC, INFORMED FIELD FORCE
- ★ SALES IDEAS FOR OUR AGENTS
- ★ PERSONALIZED UNDERWRITING SERVICE

Agency Inquiries Invited

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RAYMOND E. BUCK CHAIRMAN OF BOARD AND PRESIDENT



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PAN AMERICAN INSURANCE COMPANY, Affiliate

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HOUSTON 1, TEXAS

**Financial
Statement**

as of
December 31, 1954

MULTIPLE LINE
FACILITIES

Fire • Fidelity & Surety
Burglary • Plate Glass
Workmen's Compensation
Misc. General Liability
Automobile • Allied Lines

ASSETS

Bonds	\$ 8,080,378.34
Stocks	2,459,271.16
Cash in Banks & Offices	1,357,417.26
Agents Balance (not over 90 days)	1,121,536.85
F.H.A. Mortgages	31,285.74
Home Office	326,681.49
Accrued Interest & Misc. Funds	424,668.66
Total Admitted Assets	\$13,781,239.50

RESERVES AND SURPLUS

Claims Reserve	\$ 5,069,992.35
Unearned Premiums	4,355,421.86
Commissions	41,845.98
Tax Reserves	323,923.45
Miscellaneous Reserves	672,289.89
Voluntary Reserve	\$ 817,765.97
Capital	1,000,000.00
Surplus	1,500,000.00
Surplus to Policyholders	3,317,765.97
Total Liabilities	\$13,781,239.50

ANCHOR CASUALTY COMPANY
SAINT PAUL, MINNESOTA



New IM Definitions Issued by Committee

Seven new rulings under the inland marine definition have been issued by the committee on interpretation.

In No. 61 it ruled that a telescope of substantial value, located in a college observatory, is classifiable as IM.

No. 62 states that insurance of machinery and equipment, such as steel towers, track cables, pulling cables, tramcars, drive machinery, bull wheel, track carriage assembly, gasoline generator, chair lift and T-bar ski lifts, all part of an aerial tramway, is classifiable as IM. However, insurance of the buildings associated with the tramway, such as a restaurant, repair shop, waiting and rest room, observation tower and garage, is not.

In No. 63 the committee ruled against a carillon tower being classified as IM. The structure in question is a pink marble and coquina tower 205 feet high. Much of the marble is sculptured. The tower houses a 71 bell carillon imported from England and contains a great deal of tile mosaic work. There are no interior furnishings except the carillon, organ and several antique chairs in a lobby on the ground floor. Estimated value is about \$1 million.

Va. Agents to Compete for Company Plaques

Two special plaques will be awarded agents at the annual meeting of Virginia Assn. of Insurance Agents June 13-15 at Roanoke. One, given by Royal-Liverpool, will be awarded the writer of the best paper on salesmanship as it applies to property and casualty insurance. Entries must not exceed 2,500 words and be postmarked by April 30. The award is planned for annual presentation. The winner will also receive an all expense trip to the convention.

The other, donated by Maryland Casualty, will be given annually for at least 10 years, to the standing committee of the association which has performed outstanding service in its particular field. The judges will be past presidents of the association.

Seek N. C. School Cover

North Carolina Assn. of Mutual Insurance Agents has asked the legislature to make \$2 million now being used for operation of the public school insurance fund available for state use in school expense or other capital need.

Such a move would relieve the need for raising additional tax revenues by this amount and would require the state to buy insurance on schools.

Bill to Tax Lloyds

The New York assembly has passed and sent to the governor a bill adding section 552-A amending section 559 of the insurance law to impose a direct premium tax on unauthorized foreign or alien insurers, reciprocal insurers or Lloyds of 2 1/2¢ on each \$1 or fractional part of premium with certain exceptions and with the tax to be in the form of stamps.

Security Names Hines

Security-Connecticut group has appointed William F. Hines special agent in eastern Connecticut. He joined Loyalty group in 1950 as multiple line special agent in Boston. He became special agent in North Carolina for Atlas in 1953.

A ruling against IM classification was made in No. 64 which deals with roofing and siding materials. The question asked was: Is insurance of roofing and siding materials, sold and installed under a conditional sales contract, which insurance covers in transit to the place of installation, during installation and until the seller's interest ceases, classifiable as IM insurance under the definition? In giving a negative ruling the committee said that when the materials are installed they become a part of the real estate.

In No. 65, the inquiry was: A prospective assured operates a comprehensive awning service. He repairs, cleans and restores awnings and provides facilities for keeping them during the off season and uses his own trucks to pick up and deliver the awnings. Under the circumstances is insurance covering the awning in transit and while at the premises of the bailee classifiable as IM? Yes.

In No. 66 the committee ruled that in its opinion it is not the intent of the definition to include within the marine classification coverage of a dental laboratory or the equipment, stock, tools, machines and machinery usual in the manufacture of dentures, dental crowns and the like in a dental laboratory.

In No. 67, dealing with bailees' policy which included extra expense coverage for launderers and dry cleaners resulting from loss or damage to buildings, machinery and equipment, was ruled as not classifiable as IM.

Patterson Joins Security as Wash. State Agent

Security of New Haven has appointed Robert B. Patterson as state agent in Washington with headquarters at Seattle. Mr. Patterson has been with Frasier Co. general agency as western Washington special agent with headquarters at Seattle.

Ky. Gets Class Plan

Kentucky has approved the revised 7-class plan for private passenger cars as filed by National Bureau, effective April 1.

Larson Warns States to Regulate or Turn Job over to U. S.

The need for realistically dealing with the problems facing the insurance business if states are to continue in the field of insurance regulation and taxation was sounded by Commissioner Larson of Florida at the Miami University insurance law conference.

He said it should be remembered that "we are dealing with inter-state commerce over which, except for an act of Congress, the federal government has jurisdiction."

If there is a failure in state regulation, all phases of insurance regulation and licensing would be removed from the state level and placed under the jurisdiction of an appointed federal commission in Washington, Mr. Larson declared. The revenue derived from premium taxes would also be placed in serious jeopardy as the states' authority to tax the insurance business would be questionable.

The federal trade commission preferred charges against a number of companies alleging misleading advertising practices and the matter is now pending before that agency, he pointed out. He explained that he mentioned it only to demonstrate that "we are not dealing with a threat of federal intervention, but with a reality." A senate subcommittee on anti-trust and on monopoly legislation has made inquiry into credit life and A&H.

Mr. Larson said his department has attempted to regulate this phase of insurance through rules and regulations that were patterned after the model rules and regulations of National Assn. of Insurance Commissioners.

While these rules have been helpful to some extent in providing regulation of this phase of the business, "we feel that rules, no matter how good, cannot substitute for adequate laws. It is my purpose, therefore, that legislation be offered to the forthcoming Florida legislature which, if enacted, would alleviate some of the problems prevalent in the credit life and A&H segment of the business."

In order for rights of the states to be preserved, they are obligated to enact adequate legislation to regulate all phases of the insurance business, Mr. Larson said.

Birmingham of Alabama Names Harrell to Claim Post

Claude D. Harrell has joined Birmingham Fire of Alabama in charge of the casualty claims department.

Mr. Harrell since 1947 has been general claims agent for Birmingham Electric Co., and before that for 22 years was with Travelers. For 10 years he was Travelers' claim manager in Alabama.

Promotes Nigh, Hatfield

Government Employees has promoted Warren Nigh to vice-president and secretary and A. K. Hatfield to vice-president and comptroller. Mr. Nigh joined the company as claims attorney in 1942. Mr. Hatfield, who has been treasurer and comptroller for several years, was formerly assistant manager of Joseph Frogatt & Co. at Philadelphia.

Des Moines Agencies Merge

DES MOINES—The Hansen-Mugg and the T. C. Murray agencies have been merged and will be known as Hansen-Murray-Mugg. Officers are Nels E. Hansen, president; James K.

Mugg and Thomas C. Murray, vice-presidents, and Mrs. Marguerite Co-burn, secretary-treasurer.

June School for Agents

Agency management will be discussed at a campus school sponsored by Connecticut Assn. of Insurance Agents at Wesleyan university, Middletown, June 1-17.

The April 11 fire dwelling and contents form class of Insurance Society of New York has been closed to all further applicants. If needed, a similar class will be conducted in the fall.

Sales Techniques Described by Tuller to Aetna Graduates

A. John Tuller, who operates an agency in Great Barrington, Mass., described effective sales techniques at a banquet marking completion of the 147th session of Aetna Casualty's sales course.

Mr. Tuller, who was graduated from the course in 1953, attributed his success to constantly bringing the latest in insurance coverages to his fellow W. Va.

citizens.

The class was led by G. Barry McEldowney of Chicago Heights. Other blue ribbon winners for high scholastic standing were Donald L. Knick of Watertown, Wis., Dana C. Belyea of Chicago, L. Richard Parmett of New York, Lowell M. Mason of Montevideo, Minn., and Donald E. Pierce of Plainwell, Mich. Gold ribbons for demonstrating outstanding skill in soliciting techniques went to Mr. McEldowney, R. Morton Miller of South Boston, Va., and Nick Calabrese Jr., of Fairmont, W. Va.

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OLD SUPERSTITIONS

and what they mean

The taboo of "13" dates back to the time when man first learned to count. Using his ten fingers, and counting each foot as a unit, he came up to the number twelve. Beyond that lay the awful unknown . . . 13!

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American Auto Names Two Vice-Presidents

James J. Hennessey, manager at Boston for American Automobile, and Carol P. Maas, manager at Portland, Ore., have been named resident vice-presidents.

Mr. Hennessey started in insurance with the company at Boston in 1929 as claims investigator. He was named claims manager and attorney in 1942 and was advanced to manager in 1952. Mr. Maas joined the company's Seattle branch in 1946 as underwriting supervisor and was advanced to underwriting manager in 1948. He went to Portland in 1949 as assistant branch manager and was named manager in 1951.

Me. Mutuals' EC Losses Larger Than Premiums

The majority of Maine mutual companies that write extended coverage reported incurred losses in 1954 were much larger than EC premiums written. The state was hit hard by Hurrican Carol and Edna.

Following are some of the Maine mutuals showing 1954 EC net premiums and incurred losses: Allied, \$3,753 and \$1,655; Aroostook County Patrons, unavailable and \$20,919; Aroostook Mutual Fire, \$7,464 and \$17,862; Harrison Mutual Fire, \$1,600 and \$2,644; Lewiston Mutual Fire, \$2,907 and \$6,751; Northern Maine Patrons, \$8,974 and \$11,126; Patrons Androscoggin, \$29,701 and \$42,799; State Mutual Fire, \$5,883 and \$17,308; and York, \$16,288 and \$52,542.

Plan Two New Ill. Insurers

Illinois Automobile Ins. Co. and Illini Mutual Fire of Champaign, Ill., are planning the formation of two new companies to reinsurance the present companies. The new firms are to be known as Illinois American Casualty and Illinois American Fire and will issue stock of \$500,000 each.

G. Robert Castle, president of the two companies now existing, stated the new companies are being organized to provide increased capitalization and to apply for admission in a number of other states. Illini Mutual Fire was formed in 1950 and Illinois Automobile in the summer of 1954. Mr. Castle said it is expected the present directors will be named by the two new companies.

Articles of incorporation have been issued by the secretary of state, with Mr. Castle, Dr. Robert J. Brennan, Champaign physician and J. Thor Wanless of Springfield, former assistant insurance director of Illinois, listed as incorporators. Mr. Wanless is also the attorney handling the legal details of the organization.

Reduce School Rates in Ore.

Fire rates on school properties in Oregon have been reduced between 40 and 45% overall. The new rates, as filed by Oregon Insurance Rating Bureau and approved by the commissioner, will not be uniform and will depend on construction changes made since the last rating of individual schools.

Pa. Unsatisfied Claim Bill

A bill has been introduced in the Pennsylvania legislature that would provide for the establishment of an unsatisfied claim and judgment fund for the payment of damages not otherwise satisfied to persons involved in automobile accidents. The bill is similar to one now in effect in New Jersey.

Claim Lien Bill Filed in N. H.

A lien bill has been filed in the New Hampshire legislature that would give hospitals a claim to an amount awarded by a jury to an injured person to cover hospital incurred expenses in treating the injured.

Watson Retiring From N. J. Fire Rating Org.

Leon A. Watson, general manager of New Jersey Fire Insurance Rating Org., is retiring June 30. He will be succeeded by S. Gage Lewis, who is assistant general manager.

Mr. Watson, who has been in rating work since 1910 and manager of the bureau since 1922, will continue as secretary-treasurer of the organization for a short time. He began his career nearly 50 years ago with Home in New York City.

Rome Manager of AFIA Is Now Visiting U. S.

Victor F. Castiglioni, Rome manager and eastern Mediterranean supervisor of American Foreign Insurance Assn., is now visiting this country.

Commenting on the Italian insurance picture, Mr. Castiglioni, who has been with AFIA since 1944, pointed out the greatest setback was suffered by life insurers because of the currency devaluation during and after the second world war. However, much of the lost ground has been regained so that the general insurance business again holds an important position in the international market.

Houston Nat'l Names Clute

C. W. Clute Jr. has been named assistant secretary of Houston National. Mr. Clute has been manager of a supervising general agency in Arkansas and before that was with Superior of Dallas. He will make his headquarters in the home office.

Del. Tax Hike Moves

The Delaware senate has passed a bill that would increase the tax on gross premiums of fire companies from the present 2 to 2 1/2%.

National Automobile Club now has a membership of 259,442. This is the organization that is owned and operated by the stock companies in California.

Southeastern Fire has been elected to membership in Assn. of Casualty & Surety Cos.

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Can't Deny Coverage After Accepting Over-due Premium

ST. PAUL—An insurer which accepts an over-due premium after an accident has waived forfeiture of the policy, Minnesota supreme court held in denying an appeal of Farmers Exchange of Los Angeles. Farmers had contended that under the terms of the policy, the insured's failure to pay on time automatically terminated coverage.

Clifford Seavey, owner of the car which was demolished, sued for \$2,125, and the trial court ordered payment of \$1,750 and declared Farmers liable for the death of one of the occupants and injuries to another.

Evidence in the lower court showed the third and final premium notice had been sent to Seavey about three weeks after the due date. It was found that Seavey had not received the second notice, although he did get the first one.

"Where it has been established that it is the custom and practice of an insurer to give notice of time of payment," the supreme court said, "the insured has a right to rely on such notice. In the absence thereof, the policies may not be terminated without giving the insured notice that such custom has been abandoned."

Shortly after the accident Seavey called on Farmers' representative and paid the premium, and the check was accepted although the representative had full knowledge of the accident.

Furnace Destruction

Ruled Hostile Fire

Ohio court of appeals ruled that where a defective thermostatic control on a stoker caused the furnace to overheat and melt the fire walls of the furnace, the destruction of the furnace was caused by a hostile fire. This was in the case of Frings vs Farm Bureau Mutual Fire (CCH 8 fire and casualty 598).

Frings brought suit to recover for fire damage to a dwelling and for the destruction of a furnace and its control.

The insurer admitted liability for damage to the dwelling, but contended that it was not liable for the destruction of the furnace because such damage was caused by a friendly fire.

The evidence revealed that a defective thermostatic control on the stoker of the furnace caused it to overheat and melt the walls of the fire box, permitting the flames to escape and set fire to the dwelling.

The court, after a review of the applicable authorities, determined that the destruction of the furnace was caused by a hostile fire and that the insurer was liable for the loss.

Counsel for Frings was Faust & Harrelson, Troy, O. and for Farm Bureau, Shipman & Shipman, Troy.

Wis. Fire Underwriters Hold Meet at Milwaukee

Eli Shupe, of the Home, reported on Wisconsin legislative matters at a meeting of Wisconsin Fire Underwriters Assn., April 4 at Milwaukee. Plans for the mid-year meeting, tentatively scheduled for June 21-23 at Baileys Harbor, were discussed. The Wisconsin Blue Goose and the Wisconsin Fire Prevention Assn. also will meet at the mid-year event.

N. H. Kills Impoundment Bill

The New Hampshire legislature has killed a measure that would have allowed police to impound uninsured motor vehicles involved in accidents. Simultaneously the house passed a bill raising minimum automobile liability to 10/20/5 from the present

5/10/1. Also, drivers previously required to carry automobile liability cover for life after being involved in an accident, would now only have to carry it for seven years, depending on good experience.

Fleet Coverage Urged on State Cars in Pa.

The insurance subcommittee of Pennsylvania Gov. Leader's advisory committee on state operations has recommended fleet insurance for some 4,000 of the state's 9,000 automobiles now covered by individual policies.

The state could save \$125,000 a year in premiums by abolishing its individual policy system, the subcommittee reported.

It also recommended that a blanket position bond be utilized for the some 3,000 state employees who must be bonded. Such a move would result in annual savings of up to \$50,000. Individual bonds are purchased at present.

Auto Cover Disclosure Bill

The New York assembly has passed and sent to the governor a bill that would repeal the vehicle and traffic law provision requiring applicants for

registration of motor vehicles to make a statement concerning insurance coverage.

Hearings Slated On N. Y. Rules for Atom Workers

The New York state labor department has drawn up regulations to protect workers against dangers stemming from industrial use of atomic isotopes and other radiation and has set hearings on the regulations for April 11 at 10 a.m. at 270 Broadway, New York City; April 12 at 11 North Pearl street, Albany, and April 14 at 10 a.m. at state office building, Buffalo.

NORTH AMERICAN CASUALTY AND SURETY REINSURANCE CORPORATION OF NEW YORK

Financial Statement December 31, 1954

ADMITTED ASSETS

U. S. Government Bonds.....	\$43,282,648.90
Canadian Government Bonds.....	103,179.70
State and Municipal Bonds.....	5,218,456.43
Canadian Province Bonds.....	93,794.17
Railroad Bonds.....	534,103.39
Public Utility Bonds.....	576,541.53
Industrial and Miscellaneous Bonds.....	2,526,421.57
	\$52,335,145.69
Railroad Stocks.....	534,200.00
Public Utility Stocks.....	3,681,824.00
Bank, Trust and Insurance Company Stocks.....	421,880.00
Industrial and Miscellaneous Stocks.....	7,198,489.56
	11,836,393.56
Mortgage Loans.....	51,377.28
Cash in Banks and Office.....	1,855,029.80
Reinsurance Balances in Course of Collection (Net).....	1,021,668.51
Interest Accrued.....	196,886.71
	\$67,296,501.55

LIABILITIES

Reserve for Outstanding Losses.....	\$22,253,214.78
Reserve for Loss Adjustment Expenses.....	1,390,734.46
Reserve for Unearned Premiums.....	18,745,283.97
Reserve for Contingent Commissions.....	517,708.28
Reserve for Funds held under Reinsurance Treaties.....	6,158,764.06
Reserve for Retirement Benefits.....	309,009.08
Reserve for Taxes and Other Liabilities.....	770,054.07
Reserve for Non-Admitted Reinsurance.....	218,160.56
Excess of Schedules P and K Statutory and Voluntary Reserves over Case Estimates.....	770,942.49
	\$51,133,871.75

Capital.....	\$ 4,000,000.00
Surplus.....	12,162,629.80
Surplus to Policyholders.....	16,162,629.80
	\$67,296,501.55

Securities carried at \$2,769,186.60 in the above statement are deposited with State Departments and the Canadian Government as required by law.

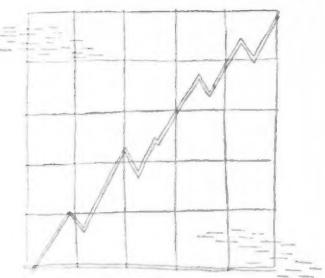
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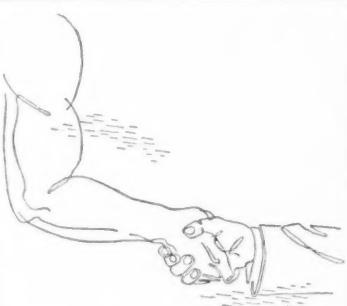
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Extended Coverage Losses in Md. Show Damage From Hazel

The damage caused by Hurricane Hazel in Maryland last year is indicated in the table below, which shows the 1954 extended coverage net losses incurred and direct premiums written.

	Direct Premiums Written	Net Losses Incurred
	\$	\$

STOCK COMPANIES

Aetna Fire	88,065	190,556
Affiliated FM	5,009	11,748
Agricultural	15,051	48,343
Albany	984	1,661
All American, D. C.	1,577	520
Allied Fire	744	1,031
Allstate	2,450	300
American & Foreign	16,966	21,288
American Auto. Fire	63,323	13,419
American Avia. & Genl.	21,839	1,518
American Casualty	10,520	4,808
American Central	14,261	16,098
American Druggists	4,082	2,849
American Eagle Fire	7,254	59,669
American Employers	1,284	2,133
American Equitable	128,636	101,796
American Fire & Cas.	1,942	1,381
American Fire, D. C.	23,087	.....
American Home	11,252	53,458
American Indemnity	307	3,793
American, N. J.	38,779	36,995
American Liberty	2,933	3,745
American Motorists	457	834
American Natl. Fire	6,495	22,103
American Union	21,011	30,638
Assurance of Amer.	2,194	4,019
Atlas Assurance	6,235	21,152
Automobile	59,891	61,400
Bankers & Shippers	2,748	3,054
Birmingham, Pa.	5,163	16,796
Blue Ridge Fire	7,670	.....
Boston	84,297	163,071
British General	5,885	5,576
Buffalo	26,090	24,232
Caledonian	12,710	20,584
California	12,852	11,195
Camden Fire	30,634	73,796
Centennial	21,858	39,647
Century	1,024	636
Charter Oak Fire	6,498	8,885
Church Fire	2,572	1,053
Citizens	13,969	16,190
Colonial Assur.	.....	24,911
Columbia, N. Y.	1,105	1,520
Com. Union, London	7,932	9,546
Com. Union Fire	6,563	6,315
Commonwealth	14,642	15,162
Conn. Fire	21,891	28,011
Conn. Indemnity	4,679	12,482
Continental Cas.	751	90
Continental	72,361	276,495
Detroit F. & M.	7,228	9,575
Dubuque F. & M.	1,973	2,441
Eagle Fire, N. Y.	138	2,187
Empire State	1,874	3,232
Employers Fire	34,503	44,849
Employers Liab.	6,322	3,170
Employers F. & M.	.....	751
Equitable F. & M.	8,297	9,386
Eureka-Security	2,055	7,138
Excelsior	1,097	876
Farmers, Pa.	6,665	29,972
Federal	40,041	152,589
Fidelity-Phenix	30,355	63,891
Fire Assn.	17,357	57,307
Fireman's Fund	108,721	123,471
Firemens, N. J.	74,448	98,573
First National	2,113	1,765
Franklin Natl.	20,368	25,557

	Direct Premiums Written	Net Losses Incurred
	\$	\$
Fulton Fire	9,964	.....
Gen. Accident	17,383	22,740
General of Amer.	25,320	27,431
Germantown Fire	10,815	5,811
Girard	16,280	39,671
Glens Falls	128,973	232,778
Globe & Republic	15,786	28,073
Granite State Fire	9,178	54,533
Great American	245,787	483,053
Great Eastern	2,385	2,135
Halifax	6,147	8,879
Hanover Fire	22,855	74,915
Harford Fire	78,568	244,399
Home F. & M.	32,966	.....
Home	677,909	1,800,824
Homeland	2,694	1,328
Houston F. & C.	13,188	18,914
Houston F. & C.	13,188	18,914
Illinois Fire	2,918	6,331
Imperial	743	115
Industrial	3,789	4,171
North America	424,937	775,798
State of Pa.	15,958	46,205
London, N. Y.	2,633	2,609
Keystone Automobile	3,264	3,520
L. & L. & G.	4,645	6,493
Law Un. & Rock	14,237	41,921
London & Lancashire	19,218	30,847
London & Scottish	4,064	8,601
Manhattan F. & M.	2,602	6,989
Maryland Cas.	25,325	7,965
Mass. F. & M.	20,013	24,082
Mech. & Traders	20,386	27,185
Mercantile	583	720
Merchants, N. Y.	20,610	28,625
Merchants, Colo.	1,292	1,233
Merchants & Mfrs.	7,198	16,442
Mercury	8,960	18,841
Michigan F. & M.	10,078	21,229
Millers National	7,438	43,783
Milwaukee	23,096	49,725
Monarch Fire	2,055	7,138
Natl.-Ben Frkln.	10,424	33,872
Natl. Capital	30,495	8,470
Natl. Fire	73,005	162,836
National Union, Pa.	47,536	58,950
National Union, D. C.	43,372	6,686
New Amsterdam Cas.	5,699	3,351
Newark, N. Y.	16,788	47,294
New England	24,627	57,545
New Hampshire	24,892	69,535
New York Fire	18,156	43,843
N. Y. Unds.	33,013	119,708
Niagara Fire	14,496	47,958
North British	17,952	25,585
Northern, Eng.	6,261	10,617
Northern, N. Y.	86,849	59,514
North River	19,642	18,733
Northwestern Natl.	112,703	120,847
Norwich Union	4,993	8,505
Ohio Farmers	11,326	26,798
Old Colony	33,726	73,664
Orient	3,041	19,482
Pacific Natl. Fire	27,301	3,087
Pacific Fire	10,820	9,421
Palatine	1,466	1,344
Paramount Fire	49,903	36,753
Patriotic	6,276	11,479
Pearl Assur.	92,225	74,962
Pennsylvania Fire	43,807	73,840
Philadelphia F. & M.	51,515	122,795
Phoenix, Eng.	16,128	58,071
Phoenix, Conn.	27,706	81,794
Potomac	2,838	2,019
Potowmack	4,721	8,026
Providence Washington	24,248	123,832
Proudveit Fire	6,997	4,464
Queen	26,379	100,737
Reliance	26,354	71,207
Republic, Tex.	200,168	100,881
Rochester Am.	31,675	77,656
Royal Exchange	10,157	12,467
Royal	75,766	164,157
Safeguard	3,935	8,116
St. Louis F. & M.	38,860	20,665
St. Paul F. & M.	25,843	60,628
Scottish Union	9,099	4,940
Seaboard F. & M.	3,665	4,637
Sea	3,657	5,398
Security, Conn.	43,945	41,509
Selected Risks Fire	6,001	3,207
Springfield F. & M.	23,988	45,556
Standard Fire, Conn.	2,957	3,862
Standard Fire, N. J.	25,244	37,230
Standard, N. Y.	67,252	55,237
Standard Marine	2,764	.....
Star of America	33,585	123,658
State Farm F. & C.	51,151	45,237
Sun	14,105	41,612
Sun Unds.	1,163	602
Switzerland Gen.	941	3,317
Transcontinental	5,153	6,650
Travelers Fire	105,835	73,985
Twin City Fire	12,075	10,318
Union, Engl.	10,092	8,698
Union of Canton	5,904	9,610
United Firemen's	11,215	18,474
United Natl.	3,990	7,591
U. S. F. & G.	191,860	290,632
U. S. Fire	69,911	104,261
Vigilant	12,284	10,029
Virginia F. & M.	7,821	5,971
Westchester Fire	20,085	32,292
Western Assur.	1,539	1,450
World F. & M.	33,175	51,120
Yorkshire	5,835	7,778

	MUTUAL COMPANIES
Allied American	2,872
Amer. Far. Mut., Ill.	6,553
Amer. Mfrs.	13,353
Atlantic, N. Y.	1,231
Baltimore Equip.	.....
Berkshire	2,912
Brethren	37,952
Carolina	4,766
Central	15,119
Chester County	15,679
City, Pa.	704
Employers Mut. Fire	2,170
Farm Bureau	113,066
Farm. & Mech.	3,537
Farmers Mut., Dug Hill	4,715
Grain Dealers	7,982

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	Direct Premiums Written	Net Losses Incurred
Net Losses Incurred	\$	\$
22,740	54,635	74,527
27,431	993	214
5,811	6,591	7,172
39,671	10,596	33,157
232,778	133,334	121,499
28,073	16,663	10,974
54,333	3,172	22,057
483,053	4,062	1,864
2,135	4,200	3,216
8,879	2,087	245
74,915	2,320	40
244,399	3,121	16,704
1,235	64,692	60,303
8,879	12,206	4,558
74,915	6,169	15,971
232,778	1,466	993
28,073	10,845	5,102
54,333	20,271	12,754
483,053	3,564	15,451
2,135	11,271	9,555
8,879	3,263	6,913
74,915	6,394	2,738
232,778	135	2,114
28,073	11,822	6,243
54,333	680	746
483,053	13,803	16,278
2,135	19,085	44,254
8,879	2,803	754
74,915	9,552	58,915
232,778	132,264	218,363
28,073	30,010	44,615
54,333	6,246	628
483,053	620	1,895
2,135	1,108	5410
8,879	5,410	7,287
74,915	8,630	1,557
232,778	5,310	4,890
28,073	28,236	40,520
54,333	27,549	121,302
483,053	2,267	6,446
2,135	284	760
8,879	2,246	.....
74,915	543	704
232,778	5,313	27,079
28,073	1,455	1,544
54,333	2,952	1,162
483,053	1,851	1,047
2,135	1,982	865
8,879	2,312	4,000
74,915	773	268
232,778	1,451	1,374
28,073	9,429	9,457
54,333	3,116	3,174
483,053	12,035	86,717
2,135	723	639
8,879	2,060	374
74,915	1,385	611
232,778	5,193	2,293
28,073	1,636	21
54,333	3,116	1,374
483,053	4,501	1,985
2,135	3,549	519
8,879	2,028	230
74,915	1,633	1,663
232,778	2,668	14,515
28,073	1,077	2,533

Baker Is Named Aid of N.Y. Insurance Society

Alan G. Baker Jr. has been named educational assistant with Insurance Society of New York. He is assistant to A. Leslie Leonard, assistant dean, in conducting educational activities of the society.

He previously was in the claims department of Liberty Mutual where he prepared legal cases.

Allyn to Advise Conn.

W. Ellery Allyn, former insurance commissioner of Connecticut and past president of National Assn. of Insurance Commissioners, has been retained by the state comptroller of Connecticut Fred R. Zeller, to advise on state insurance. Mr. Allyn has established an insurance advisory service in Hartford and will continue that operation in addition to his state duties.

Cancellation Bill Moves

The North Carolina house has passed and sent to the senate a bill which would require up to two years' notice before cancellation of A&H policies.

McNaughton Shifts to Wichita

Edward McNaughton Jr. has been transferred by Kansas Inspection Bureau from Kansas City to Wichita to handle sprinkler business in the latter city. He has been with the bureau since 1949.

Laadt & Co. of Chicago has been appointed Cook county supervising agents by National Fire for fire, marine and casualty. Raymond Soch of the agency has been named head of the fire and marine departments.

Appraisal Clauses In Fire Policy Held Not Enforceable

The standard appraisal provisions of the fire insurance policy authorized by insurance law do not constitute an enforceable agreement to arbitrate controversies arising under the policy, the appellate division of New York supreme court has ruled in the matter of Delmar Box Co. 8 CCH (fire and casualty 59).

On an appeal from an order directing appellant insurers to proceed to arbitration and appraisal of an alleged fire loss, the court held that clauses with references to appraisals in fire policies do not constitute enforceable agreements to arbitrate controversies thereunder. The Albany county supreme court order directing arbitration was reversed and the petition dismissed.

Previously the courts had held the appraisal clauses could be compelled.

The insurers were represented by Bliss, Bouck & Ecker and the box company by Bender, Ford, Comstock & Ford.

Del. Md., D. C. Fire Prevention Group Elects

Philip J. Dubey Jr. of Travelers Fire has been elected president of State Fire Prevention Assn. of Delaware, Maryland, District of Columbia. Other officers are Robert S. Ewens of National Union Fire, vice-president for Maryland; Wayne Watson of American, vice-president for Delaware; Francis S. Gardner of Automobile, vice-president for District of Columbia; Jack B. Magnuson of Phoenix-Connecticut group, secretary; and Gerald R. Collins of U.S. F. & G. treasurer.

Dixie 1752 Club Elects

C. K. Stephenson of Utica Mutual was elected president of Dixie 1752 Club at the annual meeting at Jackson, Miss. Other new officers are F. H. Jackson of Jackson & Brunson Co. and K. G. Baldog of Badger Mutual Fire, vice-presidents; Victor Slater of Southern Underwriters, secretary-treasurer, and J. R. Westbrook, of Fidelity Mutual, a director for a three year term. Reports on results of the club's clinics during the past year were presented and plans were launched for the 1955 clinics.

Two New Babaco Agencies

Two new agencies of Babaco Alarm Systems have been opened at 1141 Scottsville road, Rochester, N. Y., and 60 Murfreesboro road, Nashville. Both are agencies of Fruehauf Trailer Co.

Drex Lyon is manager of the Rochester agency with Don L. Ottney as service supervisor. The Nashville agency is under the supervision of Tom H. Brownell.

Home Workers Feted

President Kenneth E. Black of Home gave a dinner at the Waldorf Astoria in New York City honoring 294 members of its Quarter Century Club, consisting of employees who have 25 years or more of service. Similar dinners were held throughout the country for club members serving in field offices.

Young Driver License Bill in Neb.

The Nebraska legislature has passed a bill requiring drivers between age 16 and 20 to obtain a new license each year. Adults are required to obtain new licenses every second year.

The Russell agency of Albion, Mich., has been sold to the Sigsworth agency and will be moved to the latter's quarters at 106 South Superior street.



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EDITORIAL COMMENT

Commission Control—Big Turn in Road

The passage by the New York legislature of the Kalish bill which would enable insurance companies to establish commission rates by voluntary, cooperative action and empower agents and brokers to engage in voluntary, cooperative action regarding commissions came as a surprise to many in the business. The bill at this writing has been sent to the governor.

Similar bills have been introduced before but consistently have failed to develop much strength. For the most part the insurance department has opposed efforts to put it in the position of regulating or having anything to do with the regulation of commissions. Presumably this has been because it was not difficult to foresee development of situations in which commissions could be difficult political subjects for handling.

The Kalish bill amends section 180 of the New York insurance law, which is the one dealing with the regulation of insurance rates so that they shall not be excessive, inadequate, unfairly discriminatory, or otherwise unreasonable and to authorize and regulate cooperative action among insurers in rate making and in other matters.

It is understood the bill had the backing of at least one brokers' association. Some agents are said to oppose it. Company sentiment is non-committal. But neither among producers nor companies does there appear to have been any serious consideration of the effects of commission control under statute.

If the bill is signed, the law will have the effect of establishing control of commissions by the insurance department, at least to the extent that rates are controlled. Presumably the law would be legal under the federal anti-trust act, providing the state, through the insurance department, regulated commissions. This is what makes cooperative fixing of insurance rates legal.

Some company men, in view of the difficulties that the companies have from time to time with rates of commission, under highly competitive conditions, are not averse to commission control. They look with nostalgia upon the late acquisition cost conference.

Yet certainly the regulation of commissions by the state insurance department removes from management one phase of the business which up to this time has been clearly its prerogative.

It is difficult to see how, under such

a law, commissions would not come under the influence of the insurance department, at least to the extent of approval or disapproval. The department would be in a position to scrutinize the rates of commission, along with loss experience, expenses, etc., in approving any rate change. In fact, the grant of authority from the state for companies and producers to take cooperative action on commissions imposes a very definite responsibility on the insurance department to consider rates of commission in approving or disapproving rates.

There are some lines of insurance on which it has been traditional to pay high rates of commission, such as glass. They include A&H, which may not always be a non-regulated line.

However, the commission rate on fire and allied lines has been jumping for two or three years, and conceivably if such rates are considerably above 25%, the insurance department could look askance at them in the process of approving rate change. There would be more stimulation for the department to do so as the variation in rates and in commissions increases with independent filings.

The language of the Kalish bill makes it permissive. This means that insurers that are members of organizations are not compelled to take voluntary, cooperative action on commissions, and if they did not do so, then presumably commissions for those companies on the business that they write would remain in the field of management prerogative, for individual company and agency negotiation. An organization that declined to deal on commissions with groups of producers who were taking advantage of such a law in order to act cooperatively on commissions might have some difficulty avoiding being placed in the position of taking a united stand on commissions, even to the extent of a cooperative agreement not to do so.

The real question about such a measure is why any producer group would be in favor of it. It is almost impossible to conceive that the long time effect of such a measure will not be to bring down commissions—make them more "logical", not to those who understand insurance and its peculiarities, but to "third parties", including legislators. Those producers who have been arguing against the threat of reduced automobile commissions should consider the effects of a commission control

bill on automobile insurance, which, through the financial responsibility statutes, comes close to being imposed by the states on motorists. A measure of this kind might very well have the effect of bringing at once into discussions of compulsory and other nostrums the rate of commission paid on a line that affects almost every citizen in a state.

The acquisition cost conference provided an instrument by which self restraint on commissions could be exercised. It may be that the business cannot successfully maintain a reasonable level of commissions without some such device. Also, it is true that that device in these times must be a legal one, which means that the insurers in their exercise of it must be regulated by the state or promptly become subject to federal anti-trust prosecution.

Those producers favoring such legislation may feel that they are in this way provided with a lever to adjust or help adjust what they regard as inequities in the rates of commission; or to protect themselves against what they may feel to be precipitous, unjustified or unlivable commission modifications. Yet the standard of equity is a two-edged sword; if producers can justify the need of more commission on some lines, they may find it hard to justify as much as they are getting on others. In practice, these ups and downs generally level themselves out. The business is still a long way from precise actuarial or other measurement of risk, expense, and acquisition.

Whatever the needs of the business for outside aid to compose problems in this field, it seems highly desirable to consider every aspect of the problem and any proposed solution before inviting in the state as umpire. For when such an invitation goes out, it at least imposes upon the superintendent an obligation to participate in any definition of "reasonable" as applied to commissions.

illness. The first employee of the society, she retired in 1949 after 40 years of service.

Clarence H. Wunderlich, with the Chas. Anderson & Co. agency, Insurance Exchange building, Chicago, for 35 years is retiring. He has purchased the Buena Vista motel at Asheville, N. C.

R. Kelvin Shivers, Washington, D.C., local agent, has been nominated for president of Sales Executives Club of Washington. Election will be April 18.

J. A. Pollen, general manager of London Assurance, has arrived in the United States for a short visit. He plans to go to the west coast and Montreal before returning to England April 27.

Stanley Shmishkiss, local agent of Lynn, Mass., has been named chairman of the cancer crusade of Lynn, Swampscott, Saugus and Lynnfield.

Edward F. Reilly, local agent of Leavenworth, Kan., this week was elected mayor without opposition and is the first person in the history of the city to be so elected. Mr. Reilly was backed by the non-partisan citizens group that took over in a reform movement eight years ago.

DEATHS

CHARLES S. VANCE, 85, pioneer Des Moines insurance executive, died at his home following a long illness. Mr. Vance went to Des Moines when he was 19 and started with the insurance division of the state auditor's office which was handling insurance supervision. He joined the old Iowa National Fire in 1917 and was president of it from 1927 to 1934 when it was sold. The next five years he was president of Iowa Home Owners Mutual and when it was merged with Hawkeye he remained for a time as an officer.

He later became president of Western Mutual and at the time of his death was a member of the board. One of his latest official acts in the insurance field was to make a special study on fire insurance rates for Commissioner Fischer, which was completed about five years ago when he became ill. He had been in ill health since.

EVERETT NORTHRUP, 64, who retired last year as manager for Great American group at Oakland, died there after having suffered a heart attack several days previously. Mr. Northrup started with the old Fire Underwriters Inspection Bureau in 1911 at San Francisco, later spending some time in the Pacific northwest before returning to San Francisco. The bureau was changed to the Fire Prevention Bureau of the Pacific in 1917 and Mr. Northrup was with it from then until 1921.

PERSONALS

Horace B. Corell, for many years first deputy commissioner of Michigan, now retired, has been renewing his insurance acquaintances while serving as sergeant-at-arms in the Michigan house.

Waldo O. Hildebrand, secretary-manager of Michigan Assn. of Insurance Agents, and his daughter, Jane, took a spring skiing vacation at Aspen, Colo., last week.

Maude E. Inch, former secretary of Insurance Society of New York, is convalescing at the Little Nursing home in Montclair, N. J., after a long

The NATIONAL UNDERWRITER

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He was a special agent for Connecticut Fire at Spokane until 1923, when he resigned to return to California. He joined Great American in 1924 to head its new special service department. He was a special agent for the group in 1930s and became general adjuster at San Francisco in 1942. In 1947 he was made manager at Oakland and held this post until retirement. He was a past MLG of San Francisco Blue Goose.

J. DILLARD HALL, assistant secretary and associate agency director of U. S. F. & G., died at Baltimore. He entered insurance in 1909 with a local agency in Reidsville, N. C., later becoming a general agent for Royal Indemnity. He joined U. S. F. & G. in 1917 and served successively as manager at Omaha and Des Moines and associate manager at Chicago. In 1936 he went to Baltimore in the agency development department and was elected an assistant secretary in 1949. He is a former president of Casualty & Surety Club of Des Moines and Insurance Federation of Iowa.

EDWARD M. QUINN, 55, secretary of Commercial Union-Ocean group, died at Scarsdale, N. Y., where he lived. He entered insurance with National Fire and in 1928 became a special agent in Wisconsin for Commercial Union. Two years later he transferred to the head office at New York as special agent for the all risks and inland marine department, traveling the territory east of the Mississippi. In 1933 he became superintendent of the brokerage and service department at New York and in 1939 was appointed secretary of the British fire companies and assistant secretary of the American companies in the group. After duty in the second world war he served in various executive capacities and in 1954 was named secretary of Ocean Accident & Guarantee and an assistant secretary of Columbia Casualty.

M. W. COLLIE, 56, manager at Canton, O., for Western Adjustment, died of a heart attack. He had been at Akron before opening the Canton office in 1930. Mr. Collie was a son-in-law of Clyde Toan, who was the former manager for Western at Akron.

KARL KROGSTAD JR., 37, manager at Seattle of Western Insurance Information Service, died of pneumonia while on naval training duty at San Diego. He had been in charge of the WIIS office since it opened in 1953.

JOHN A. MARONDE, 53, local agent at Russell, Kan., died at Russell hospital after a year's illness. He headed the insurance department of Home State bank at Russell, for 15 years before opening his own agency in 1951.

MRS. LUCILLE BURGOON, wife of J. Stanton Burgoon, manager of Security of Connecticut at Rockford, Ill., died there after a lengthy illness.

S. L. LARKNI, who operated his own agency at Batavia, O., died.

WELLS W. VALENTINE, 62, supervising underwriter at Chicago for Zurich died at Evanston hospital

there. He had suffered a heart attack several days previously. Mr. Valentine went with Zurich at Chicago in 1915, on March 31 celebrating his 40th anniversary with the company. He had been in the underwriting department throughout his 40 years' service.

RALPH E. CONNELL, 51, general counsel for the Kentucky insurance department since 1953, died at his home in Paris, Ky., of a heart attack. He was a graduate of the University of Kentucky.

MRS. WALTER SAMET, 76, wife of Walter Samet, retired marine manager of Automobile of Hartford at Chicago, died in Little Company of Mary hospital, Chicago.

F. F. THOMPSON, 78, veteran local agent of Oklahoma City, died there. He had been a special agent for North British in the Oklahoma field for 45 years until he retired a few years ago and went into his agency business.

CHARLES W. BARNES, 62, founder of the Barnes agency at St. Matthews, Ky., died at his home in Lyndon.

I. SIDNEY JENKINS, 67, Louisville local agent, died while on a vacation trip to Pompano Beach, Fla.

GEORGE A. DEWEY, a retired secretary of New Hampshire Fire, died at Manchester. He had retired in 1952.

MRS. BLANCHE ROMAN, owner of the Forster agency in the Bronx, died in New York city. She had spent 41 years with the agency, which was organized by the late John C. Forster, her uncle. Her husband, John Roman, survives her.

Toplis & Harding, Wagner & Glidden, adjusters and surveyors, have moved their New York City office to 102 Maiden Lane where they will occupy the 16th floor.

The Insurance Society of New York library has inaugurated a new series of window displays at 60 John street, New York, calling attention to an insurance book each month.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, April 5, 1955.

	Div.	Bid	Asked
Aetna Casualty	3.60*	193	198
Aetna Fire	2.40	72	73 1/2
Aetna Life	3.00*	177	179
Agricultural	1.60	35	37
American Equitable	1.70	37 1/2	39 1/2
American Auto	1.20	29	31
American (N. J.)	1.20	32 1/2	33 1/2
American Motorists	.24	15	16 1/2
American Surety	3.00	83	85
Boston	1.60	41 1/2	43
Camden Fire	1.15*	30	31
Continental Casualty	1.40	110	112
Crum & Forster com	2.00	57	59
Federal	.80	34	35 1/2
Fire Association	2.20	58	60
Fireman's Fund	1.80	70	72
Firemen's (N. J.)	1.05	43 1/2	44 1/2
General Reinsurance	1.80	49	51
Gilens Falls	2.00	78	80
Globe & Republic	.90	21	22 1/2
Great American Fire	1.50	43 1/2	44 1/2
Hartford Fire	3.00	160	163
Hanover Fire	2.00	45 1/2	47
Home (N. Y.)	2.00	46	47
Ins. Co. of No. America	2.50	109 1/2	111
Maryland Casualty	1.40	41	42
Mass. Bonding	1.50*	40	42
National Casualty	1.50*	37	40
National Fire	3.00	95 1/2	97 1/2
National Union	2.00	48 1/2	50
New Amsterdam Cas.	1.80	55 1/2	57 1/2
New Hampshire	2.00	51	52 1/2
North River	1.40	36 1/2	37 1/2
Ohio Casualty	1.86*	82	Bid
Phoenix Conn.	3.40	86 1/2	88
Prov. Wash.	1.00	27 1/2	28 1/2
St. Paul F. & M.	1.10	60	62
Security, Conn.	1.60	48 1/2	48
Springfield F. & M.	2.00	59	61
Standard Accident	1.80	81	83
Travelers	19.00*	2080	2100
U. S. F. & G.	2.00	71 1/2	73 1/2
U. S. Fire	1.80	53	55

*Includes Extras.

N. Y. Department Postpones Hearings on Allstate, N. A.

The New York insurance department has postponed the hearings on the dwelling class filings of Allstate and North America. Originally these were set for April 18 and April 25, respectively. Superintendent Holz March 11 issued the call for the hearings to determine whether the filings of the two insurers meet the standards of the rating act which are that rates shall not be inadequate, excessive nor unfairly discriminatory. No new dates have been set.

North America is charging rates about 10% off those of New York Fire Insurance Org., and Allstate about 20% off.

Objects to PO Bill in Its Present Form

WASHINGTON—A bill providing for government purchase of bonds for Post Office Department workers received the support of postal employees' organizations at a hearing before a House postoffice and civil service subcommittee, but an objection was made by Howard M. Starling, Washington manager of Assn. of Casualty & Surety Cos.

He said companies have no objections to payment of the premium by the government but that the measure as it now stands would include mail clerks in the armed forces and mail contractors who are not department employees. He said they should continue to be covered individually.

Members of the subcommittee staff will meet with him to go over the bill.

Sherard Is Named General Manager of Bruce Dodson Group

Ernest L. Sherard has been appointed general manager of all companies in the Bruce Dodson & Co. group. The companies in the group, all with home offices at Kansas City, are Reciprocal Exchange, Casualty Reciprocal Exchange, Equity Mutual, and Transport Agency & Investment Co.

Mr. Dodson remains as attorney in fact for the reciprocals and will continue to direct the policies of all companies in the group.

Mr. Sherard has been with the Bruce Dodson organization for 34 years. Since 1936 he has been executive vice-president of Equity Mutual and Transport Agency, and will continue in that capacity with those companies while assuming management responsibilities of the exchanges. He is a past president of Conference & Mutual Casualty Companies.

Controlled Business Bill Okayed in N. Y.

The New York senate has passed and sent to the governor a bill amending the insurance law to make it mandatory, instead of permissive, for the insurance superintendent to refuse to issue a broker's license to an applicant receiving benefit in violation of provisions prohibiting rebates, or to an applicant seeking a license principally for insuring property owned by him or in which he, a relative or employer has an insurable interest of more than 10% of aggregate net commissions.



Sutter would have sold Dubuque

Multiple Line Facilities Offer More Profit

John Sutter struck gold at Sutter's Mill near Sacramento, California in 1848—just 34 years before the founding of Dubuque Fire & Marine.

But, old John S. might never have left home at all if he could have sold the multiple line facilities of Dubuque F&M. Chances are he'd have thrown away his pick and pan for the easier, surer profits of the Dubuque "packages."

Insurance agents everywhere are finding that consolidation of many policies in one Dubuque policy means less work, reduces overhead, simplifies policy writing and claim settlement, and that customers prefer it!

The Dubuque F&M man can help you. His experience in multiple line service can help you prospect new fields of profit. Write us today for details of our multiple line facilities.



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Pa. Ruling Gives Insured \$3,000 Over Actual Loss in Fire

An 1853 Pennsylvania ruling resulted in the plaintiff receiving \$3,000 more than the loss in a house fire in the case of Vogel vs Northern Assurance, 8 CCH (fire and casualty) 592.

An owner of real estate and a prospective purchaser entered into a contract for the sale of the property. The seller, Shank, protected his interest in the property by taking out a \$6,000 policy with Northern Assurance and the purchaser, Vogel, protected his by buying a \$9,000 policy in Mount Joy Mutual.

Before conveyance of the property it was destroyed by fire. Vogel completed the transaction and took an assignment of Shank's claim against his insurer. An action for damages against both insurers resulted in a judgment for Vogel of \$15,000, \$3,000 more than the \$12,000 value of the property destroyed. Insurers appealed.

The third U. S. court of appeals held that both buyer and seller had an insurable interest in the property and that Vogel was entitled to judgment on both claims.

The court said it has been the settled rule in Pennsylvania since 1853 that the seller could recover fully against an insurer for a loss occurring between the time of the agreement and final

settlement even though the buyer had taken title according to the terms of the contract. The judgment for Vogel was affirmed.

Mount Joy argued it was excused from paying because there was in the policy a place for the noting of other insurance and the insured gave Mount Joy no information on this. As was pointed out by the district judge, however, these policies were taken out on different interests.

The settled interpretation of the "other insurance" clause is that the other insurance must be "on the same interest and subject and against the same risk."

Furthermore, the court ruled, what Shank assigned to Vogel was not an insurance policy but his claim against the insurer for a loss which had already taken place and which had left him with a claim against the company.

"We have no doubt," the court said, "that the ingenuity of insurance counsel will draft a provision whereby total recovery can be limited to an actual loss if that is an object to be desired."

FCIC Premiums May Pay Its Costs

WASHINGTON—The House has passed the agricultural department appropriation bill under which Federal Crop Insurance Corp. would be authorized to pay up to \$1.5 million out of premiums for its administrative expenses.

Allstate Sets Up New Zone Offices in East

Allstate has established an east central zone, with offices in the company's new building at Murray Hill, N. J. The territory includes Delaware, New Jersey and Pennsylvania, with Ohio due to be added in July.

With this change, the eastern zone consists of Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont and the offices which have been at Newark, have been moved to Harrison, N. Y.

H. M. Mereness, vice-president and manager of the former eastern zone, will head the east central zone, and T. J. Spenger, resident manager at Long Island since 1951, will manage the new eastern zone.

Mr. Spenger joined Allstate in 1940 as a claim adjuster at Seattle and held various posts in the northwest until 1950, when he was transferred to Rochester, N. Y., as resident manager.

Mr. Spenger will be succeeded at Long Island by William F. Powers, previously at Philadelphia, and R. E. Vernoia has been named the new resident manager at Philadelphia. Mr. Vernoia, who joined the company in 1947, has been eastern zone sales manager since 1952.

Conrad Hibbeler has been promoted to account executive for W. A. Alexander & Co. agency of Chicago. He has been with the agency for 20 years.

Dewey Joins Kemper Group at Home Office

Robert M. Dewey has joined the Kemper companies in the business extension department as manager of the fire special risks division. He will make his headquarters in the home office.



Robert M. Dewey

A graduate of Dartmouth college and Thayer School of Civil Engineering, Mr. Dewey has been with Associated Reciprocal Exchanges, Port Chester, N. Y., since 1923. He was fire insurance inspector, salesman, and underwriter before being named vice-president in 1935.

Advocates Auto "Comp"

Gov. Meyner of New Jersey has advocated the development of a system similar to workmen's compensation as a means of paying victims of traffic accidents.

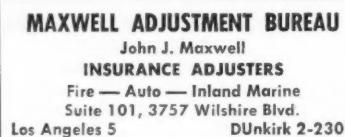
Germain Joins Johnson & Higgins

J. H. Germain, formerly assistant general manager of Factory Insurance Assn., has joined Johnson & Higgins as a vice-president. His headquarters will be in New York City.

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A INDEPENDENT ADJUSTERS A

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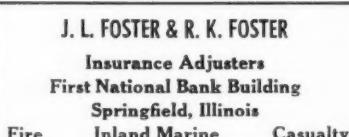


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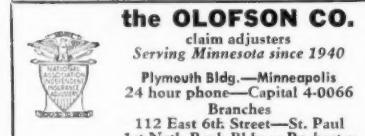
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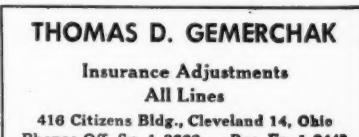
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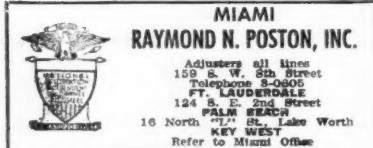
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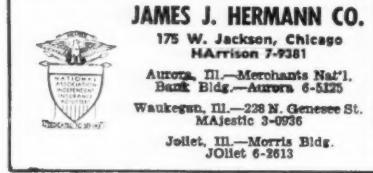
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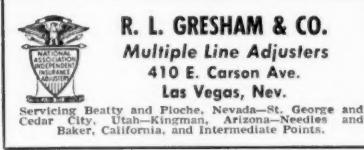
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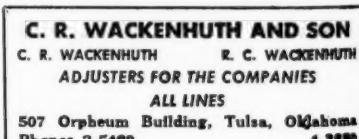
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Coinsurance Applied by Error Is Not Binding, Court Holds

When an agent inadvertently includes an 80% coinsurance clause in the renewal of a fire policy, the coinsurance is not binding. This was the opinion of Texas court of civil appeals in the case of *Automobile vs United Electric Service Co.*, 8 CCH (fire and casualty) 580.

In renewing a fire policy for the electric company and simultaneously increasing coverage from \$52,500 to \$85,000, the agent, Williams-Dwyer Co., by mistake included the 80% coinsurance clause in all of the policies he wrote for the electric company held by Automobile, Phoenix of Hartford, and Springfield F. & M. United Electric Service, after a fire loss of \$63,123, learned of the coinsurance clauses and started suit to recover the total amount of damage and to reform the policies. At the time of the fire it has been agreed that the property was worth \$126,000.

The insurers contended that 10 single page endorsements, three simple credit memoranda and two renewal policies had been delivered to the offices of the electric company between the time the policies were renewed at an increased amount and the date of the fire, and that these constituted sufficient notice to estop reformation. They also contended that the office manager of the electric company had notice of the addition of the coinsurance clauses, which constituted notice to the company, its silent financial partners and the managing partner.

The court held that a mutual mistake occurred when the clauses were inserted and that the policies should be reformed allowing full recovery of the full amount of the loss.

Midstate Named Michigan Surety General in Neb.

Midstate Underwriters general agency of Omaha has been named general agent for casualty lines in Nebraska for Michigan Surety.

Buckeye Union Joins Interbureau

Buckeye Union group has been elected to membership in Interbureau Insurance Advisory Group, bringing the membership to 115 fire and casualty companies.

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Leave it to Kidde to come up with a red-hot idea like this—a big, new 10-pound dry chemical extinguisher effective at any pressure from 150 to 250 pounds!

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Unlike other extinguishers, which usually operate at one pressure only, the Kidde 10-pounder works through an extremely wide pressure range. Even when charged to 150 pounds, the Kidde 10-pounder is UL-approved for Class B and C fires. Boost the charge to 250 pounds, and

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NEWS OF FIELD MEN

Aetna Fire Sends Grob to Michigan

Special Agent Michael J. Grob has been transferred by Aetna Fire from Ohio to Lansing, Mich. He replaces George F. Stacey, who has resigned, and he will be associated with State Agent George K. Simpson.

Mr. Grob was formerly with Cook County Inspection Bureau and has been special agent at Toledo and Cleveland.

Ala. State Agent Buys Anniston Local Agency

W. J. S. Rushing, state agent of The St. Paul companies in Alabama, has resigned and purchased the George H. Butler & Co. agency at Anniston, Ala. Mr. Butler, former president of Alabama Assn. of Insurance Agents and past state national director, is selling his business because of failing health.

Mr. Rushing was formerly with the St. Paul in Mississippi, and previously was manager of the Greenville, Miss., office of General Adjustment Bureau. He is past MLG of Mississippi Blue Goose and is present wielder of the Alabama pond.

Gordon Earhuff, special agent in Alabama, is replacing Mr. Rushing and will be assisted by Special Agent William Paden.

Pacific National Names R. J. Curley in New York

Richard J. Curley has been named New York state agent for Pacific National Fire to succeed James E. Carters, who is remaining with the company in an advisory capacity although ill health has forced his retirement from more active work. Mr. Curley, who has been in production in New York state, will supervise eastern New York.

W. N. Lowe Joins Meserole Group in Midwest Field

William N. Lowe has been appointed state agent for Pacific Fire, Bankers & Shippers and Jersey in the metropolitan areas of Chicago, St. Louis and Kansas City. His headquarters will be at Chicago in the offices of Franklin J. Pocquette, secretary in charge of western operations.

For the past four years, Mr. Lowe has been field supervisor in Chicago for Travelers Fire, and before that for six years was with Hardware Mutuals in the Chicago area. He is an army veteran. Mr. Lowe's father-in-law is Charles J. Peck, vice-president in charge of fire losses for Toplis & Hardin, Wagner & Glidden, Chicago.

Wilmore Ky. State Agent

The New Hampshire group has appointed William H. Wilmore state agent for Kentucky, succeeding State Agent Richard W. Moher, who is being transferred to Montpelier, Vt. Mr. Wilmore was formerly with Western Adjustment and with a Kentucky local agency.

Weisbrod to New York Field

Harry Weisbrod has been named special agent of Northwestern Mutual Fire for northern New York. Mr. Weisbrod was special agent with another company before joining Northwestern Mutual. He is a graduate of Fairleigh-Dickinson college.

Town Inspections in Southeast

Inspections scheduled by southeast field organizations in their respective states include Stock Fire Insurance Field Club of Virginia, Farmville April

19; Alabama Fire Underwriters Assn., Foley April 20; Florida Field Conference, Kissimmee April 27; Mississippi Fieldmen's Assn., Indianola May 11, and South Carolina Fieldmen's Assn., Clinton May 12.

Kitchin Joins Northern, N. Y. as Special Agent in Wash.

William Kitchin, until recently special agent at Seattle for Security of New Haven, has joined Northern of New York there as special agent for Washington. Mr. Kitchin was with General of Seattle in 1947-1953, when he joined Security.

Schluter to Tex. Field for Manhattan F.&M.

London Assurance and Manhattan F.&M. have appointed H. Nelson Schluter special agent in Texas. He will be associated with State Agent Ewing Moseley.

Mr. Schluter entered insurance in 1945. His headquarters will be at 1418 First National Bank building, Dallas.

Phoenix of London Names Benson Special in N. J.

Phoenix of London group has named Roger S. Benson special agent in New Jersey. He will work under Vernon B. Chittenden, manager of the New York City offices.

Kaufmann to Kansas City

American Surety has transferred Special Agent Henry W. Kaufmann Jr. from Kansas City to Omaha. He joined the company as a special agent in 1950.

Quirk & Co. Names Duncan

C. W. Duncan has been appointed special agent for the Rio Grande valley at Pharr for Quirk & Co., San Antonio. Mr. Duncan has been special agent for Gulf in the valley and prior to that was in local agency work at Fort Worth.

Ten New N. J. Goslings

Ten new goslings will be initiated into Garden State pond of Blue Goose at a meeting April 29 at West Orange, N. J. They are Richard H. Brill of the Boston; Reginald E. Burdick of American Automobile; Leo J. Carling Jr. of America Fore; Dominick J. Ciarrallo of State of Pennsylvania; Arthur W. Dahl of Northern Assurance; Thomas J. Doyle of Home; Robert J. Laier of Niagara; Joseph J. De-

B Service Guide

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UNITED STATES DEPARTMENT OF AGRICULTURE—FARMERS HOME ADMINISTRATION. Proposals are invited from insurers for furnishing insurance against loss or damage by fire, lightning, windstorm, hail, explosion, riot, civil commotion, aircraft, self-propelled vehicles, and smoke on certain farm properties mortgaged to secure loans made or insured by the Farmers Home Administration, upon failure of borrowers to provide such insurance, in all the several States, the Territories of Hawaii and Alaska, and in Puerto Rico and the Virgin Islands. Proposals will be received until April 15, 1955, at the Farmers Home Administration, Department of Agriculture, South Building, Washington 25, D. C. The right is reserved to reject any or all proposals. FARMERS HOME ADMINISTRATION, R. B. McLeish, Administrator.

vine of General Adjustment Bureau; John F. Smith Jr. of Commercial Union, and Philip A. Teese of Home.

North British Makes Two Changes in Field

North British has made two changes in field assignments in its Pacific department's territory. Special Agent Walter W. Felgar has been assigned an independent field in southern California with headquarters at Los Angeles, replacing Special Agent Jack Christ, who has resigned, and Ian Thomson has been named special agent to assist State Agent D. J. Church at Los Angeles. Mr. Thomson has worked in the Pacific department office and at San Francisco.

Phoenix of London Names Mo. Tex., Specials

Phoenix of London group has named W. C. Hampton special agent in Texas and Robert M. Gaynor special agent in Missouri. Mr. Hampton, who will work with R. Allen Hickman, manager, has been Texas special agent of National Surety. His headquarters will be 212 North St. Paul street, Dallas.

Mr. Gaynor will work under the direction of Harold A. McKenna, manager at 209 South LaSalle street, Chicago.

George H. Lord is Named in East by American Home

George H. Lord has been named special agent in Connecticut and western Massachusetts for American Home. Mr. Lord, who has had experience in the field and as a local agent, will make his headquarters at Hartford.

Hood Named Va. Special for Phoenix of London

James F. Hood has been named special agent in Virginia for Phoenix of London group and will work under R. Coleman Rice, manager at Richmond. He has been a special agent for Home Indemnity.

Penn Pond Hears Marine

Penn Pond of Blue Goose heard 1st Lt. John Lippard, USMC, talk on 1,307 days in a Japanese prison camp at a meeting at Philadelphia.

Blue Goose Publication

National Capital Pond Honker has been selected as the name for the new publication of National Capital pond of Blue Goose at Washington, D. C.

Sheppard Named in S. D.

Howard Sheppard has been appointed field representative in South Dakota for Hawkeye Security. He will have headquarters in Sioux Falls.

Employers Names Knoppe

Employers group has appointed Clyde G. Knoppe fire state agent for Kentucky.

Albany Field Club Meets

Electrical fire alarm systems for use in churches was described by Joseph Nixon of America Fore at Albany Field club meeting. Changes in the fire manual rules were outlined by Richard Kennedy, manager of NYFIR. Accepted as members were Raymond Powers of NYFIR, Roy Langer of Commercial Union, Harold Wright of Burton Rain, Roger Manning of the Boston, Thomas J. Prendergast, Roy F. Stiles and Patrick A. Aliberti of National Surety.

Minnesota Blue Goose at a luncheon at Minneapolis saw a demonstration of the products of Minnesota Mining

& Manufacturing Co. by John Kruse, assistant secretary of the company.

Hodges Joins L.&L. Field in Kentucky

Ben Hodges Jr. is leaving Kentucky Inspection Bureau to join London & Lancashire as special agent in Kentucky. Mr. Hodges will work under State Agent Carl Ratliff.

N. Y. Underwriters Name Keiser in West Texas

John E. Keiser has been named state agent in west Texas by New York Underwriters to replace Robert Kettle, who has taken other employment. Mr. Keiser's headquarters will be at 210 Lubbock National Bank building, Lubbock.

W. H. Scoggan Named in La.

William H. Scoggan Jr. has been named special agent in the Shreveport, La., area by R. Kirk Moyer general agents, to succeed Fred J. Michaelis Jr., who has joined a local agency in Shreveport.

Mr. Scoggan, an air force veteran, was with Louisiana Rating & Fire Prevention Bureau for more than two years. He also has been a fire under-

writer with a general agency and a special agent with a fire and casualty company.

Musil to Wis., Anderson in Ill. Field for American

Gordon E. Musil, special agent for American at the Rockford service office, has been transferred to Wisconsin as special agent and is replaced at Rockford by Robert G. Anderson. Mr. Anderson is a graduate of Carthage College and Colorado State, and attended the home office advanced multiple line training school of American and has been in Rockford loss department.

Carpenter to Leave Ky. Field

W. C. Carpenter, who has been at Louisville, Ky., as special agent for Firemen's of Newark, is joining the Key Adams agency.

Mayhue Special in Ala.

Agricultural and Empire State have appointed Robert F. Mayhue Jr. special agent for Alabama with headquarters at Montgomery.

Hold Cuba, Mo., Inspection

An inspection of Cuba, Mo., was conducted by Missouri State Fire Prevention Assn. April 6.

Kerr Joins Ohio Farmers as Iowa State Agent

Richard Kerr has been appointed state agent for Ohio Farmers companies in Iowa. He is a graduate of Iowa State College and was with the Iowa Inspection Bureau before joining Loyalty group in the Iowa field in 1951.

Fire Association Appoints Burch in No. California

Vincent Burch has been named to supervise the northern California field for Fire Association to replace Kenneth O'Banion, who has resigned. Mr. Burch has been with Fire Association at San Francisco for several years and has been training for field work. He will have headquarters at Sacramento.

Minn. Pond Plans Party

Minnesota Blue Goose will have a dinner dance April 29 at the Calhoun Beach hotel, Minneapolis. An elaborate buffet dinner has been planned, and this will be preceded by a cocktail hour. M. A. Warner, Northwestern F. & M., is chairman of the entertainment committee.

Central National of Omaha, Lloyds of New York and Wabash Fire & Casualty have been licensed in California.

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The same company that pioneered the revolutionary Step Rate premium plan for Non-Can business a few months ago now offers another great Non-Can sales booster in the 10-12 Plan. This great new merchandising plan provides for premium payment on a salary allotment basis.

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Osborn & Lange Has Three Executive Staff Changes, as T. L. Osborn Retires

The Chicago class one agency of Osborn & Lange, Inc., has announced extensive changes in its executive staff. T. L. Osborn, chairman of the board, having served the organization for 53 years, announced his retirement last month.

Andrew G. Lange, president, was elected chairman of the board; C. H. Barker, executive vice-president, was elected president. B. S. Weyforth Jr., recently associated with the firm, was elected executive vice-president.

Mr. Lange has been in insurance for more than 50 years, joining Osborn & Lange in 1916, in an executive capacity. He instituted branch office operations in the United States and Canada. He has been active in the marine field and is well known throughout the industry.

Mr. Barker started with the company 31 years ago in the marine department. While prominent in the marine field, he organized casualty, fire, life and A&H departments in the company and directed branch office activities in the United States and Canada.

Mr. Weyforth has recently joined the company, having been in insurance 18 years. Starting with the U. S. F. & G., he has been associated with American Casualty, United States Casualty and Continental. For the past seven years he was with James S. Kemper & Co. as executive vice-president.

Osborn & Lange has made substantial additions to the staff, both in the home office at Chicago and in the branch offices in the past few years.



Dowd Joins AIMA at Los Angeles

Edmond J. Dowd Jr., has been named assistant manager at Los Angeles by American International Marine Agency. He will be associated with John T. Logan, manager, and Robert Caldwell, marine special agent.

He joins the company after eight years with Fireman's Fund where he was marine claims manager and later in the multiple line underwriting department, which he has supervised the past two years.

His headquarters will be in the General Petroleum building, 612 South Flower street, Los Angeles.

Jellett Goes with North

Gerald J. Jellett has joined the staff of Thomas T. North, Chicago adjusters. Mr. Jellett previously was an attorney in Belfast, northern Ireland. He was born in the U. S. and at the age of three went to Ireland with his parents. He studied law in Dublin and during World War II went to England where he joined the U. S. army. He served as an attorney in Berlin while in the service for 2½ years. In 1949, he returned to the U. S. to resume his law studies at the University of Chicago.

D. C. I-Day April 15

WASHINGTON—Insurance Day will be held April 15 and the program includes a noon luncheon at the Mayflower hotel, a talk on the D. C. automobile financial responsibility law, a sales clinic and a forum on inland marine.

Lannan Opens Minn. Branch

The Lannan & Co. agency, which has offices in Chicago, Pittsburgh and New York city, has opened an additional branch at 1000 Roanoke building, Minneapolis. Mark J. Conboy, former field man in the Twin Cities area for Aetna Casualty, has been

named vice-president and general manager.

Robert W. Lannan is president of the Minneapolis operation, and his brother, Russell V. Lannan, who is head of Lannan & Co., with headquarters at Chicago, will be treasurer.

Four members of the Chicago staff of Lannan & Co. have been promoted to vice-president. They are Michael J. Lannan, Charles M. Lutz, Lawrence P. Lannan and Thomas G. McAliff.

Hemispheric I-Day Set For May 16 at New York

The Hemispheric Insurance Day luncheon will be held May 16 at the Waldorf-Astoria hotel in New York, with Henry F. Holland, assistant secretary of state for inter-American affairs, as the speaker.

John A. Diemand, president of North America and chairman of the U. S. Chamber of Commerce committee on hemispheric insurance conference, will preside. Henry Thorn, resident vice-president of North America, is chairman of arrangements.

Employers Wins Award

The Employers' Pioneer, publication of Employers group, has won an award for excellence in the first annual traffic safety awards program of American Assn. of Industrial Editors. Its editor, Natalie Fisher, received a \$100 cash prize.

Kan. Farmers Get Reduction

National Automobile Underwriters Assn. has modified the private passenger collision classification plan in Kansas to give 20% collision reduction to farmers. Other rates and rules are unchanged.

Insurance Women's Club of Oklahoma City has elected Lois Cochran as president for the 1955-56 term. She and her staff will be installed June 29. Other officers are: Vice-presidents, Helen Jones and Eleanor Timmons; secretaries, Doris Ford and Joan Halko; treasurer, Elizabeth Landis.

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Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Sees Need of Market Analysis to Answer Questions Plaguing Agency System

P. B. Brooks of the Brooks Agency, Toledo, writes:

For the past several years articles have been written, speeches made and panels discussed on the question confronting the agency system: "Competition from direct-writing insurance companies and what to do about it."

At first there was a loud cry, a wailing, and a beating of breasts. They all seemed to say, "Those dirty so-and-so's, they can't do this to us!" The matter is now coming more into focus. Leaders in the business are beginning to analyze the problem as it should be. But no one has yet gotten to the heart of the problem.

The local agent is a grand and glorious institution with a history of pioneering comparable to any of the great businesses in this country. The insurance companies that fostered the agency system have also won the same merits for service. But, the two are one. They should think alike, for they both rise and fall together. Breast beating and crying "dirty pool" should give way to modern management-type analysis. Just as flying an airplane by the seat of the pants is outmoded in today's jet airplanes, so is guessing what the public wants and needs.

A person has but to talk to salesmen in a merchandising field to know that they are geared to the buying psychology of the public. Just the other day an article was written concerning super-market merchandising, where a shift in consumer shopping psychology is presently forcing a change in grocery store products selling. It is well-known that there is a certain "hot" shelf in every store where anything will sell. It is also well-known that certain geographical areas, certain stores, certain salesmen, whether the products are groceries or automobiles, have a definite relationship to sales. The same, generally speaking is true—must be true—of insurance.

Members of our business proclaim the perils of continuous policies, six month policies, direct billing, package policies, and on and on. Has anyone analyzed the problem from the customer's point-of-view? Does an agent boast that he uses the finest paste or scotch tape in attaching foot-long endorsements to policies? Does he feel it's a selling point to say that the customer gets a newly-typed policy every renewal? I am sure the customer is not the least bit impressed.

If an analysis of our methods and practices were made, the results could prove one point which no one has directly stated: Can't we improve our method of doing business? Why not analyze how the agent gets his business? What he does with his time, how much does he know of his product? Where can he save or be saved time by cutting detail and red tape?

Some of the time-honored habits in the business should be analyzed. Why should the public pay more for an agent in one city than another? Unquestionably, certain individuals deserve recognition for their competence. Knowledge and competence and ability should be rewarded. But a company has to know its agents first. There are many practices of which everyone knows and accepts, but which cost the public money and give them little in return.

Next, the habits of the insurance buying public should be analyzed. Anyone wishing to market a product seeks answers to such questions as: 1. What class of customer is being sought? 2. What is their standard of living? 3. What are their customs, habits and prejudices? 4. What is their prevailing psychology?

One doesn't need to be a market analyst, economist or statistician to look at some general figures.

The average family earns approximately \$5,000 a year. The average worker in a manufacturing plant receives \$3,700 a year. How much can they pay for insurance on their home, car and belongings? Just how much service do they demand? How much service do they get? This market represents a sizeable part of the personal insurance field.

There are 50 million homes in this country, nearly half are owner-occupied and most of them mortgaged. When their average value figures at \$8,000 there is a lot of insurance to buy. How much service do these people require?

There were 42 million private passenger cars and 8 million trucks on our highways in 1953. Can the direct writers insure all of them? Yet, when two companies write 10% of them, they must have something in their favor—and it isn't necessarily price!

This is a huge business. It employs more than 700,000 people. There are 304,000 agents and brokers. Premiums written nationally total \$10 million for 1954. It is estimated that three-quarters of this volume was written through agents, and no method of merchandising will absorb this vast field, or displace this immense army for the distribution of insurance protection overnight.

But, it is also estimated that 60% to 65% of this volume is personal business, not commercial. Anyone with a short but intensive training can sell this market—and the direct writers are doing it. Do they know their product better than a local agent?

It was established by *American Home* magazine in its survey that the insurance buying habits of the public are not based upon price, but can anyone continue to sell ice boxes in a refrigerator era?

One company is reported to take the attitude that its agents have all the business they care to have. The agents often suspect the same of their companies.

Just as companies should survey the insurance market and their agents, the agents should analyze themselves. Of what are they afraid? If they know their product, honestly service their business, and know they are doing right, why should they fear competition? Because they do have fears, something must be wrong. The companies likewise are frantic. Why? Their method of choosing the right course is trial and error. No one should fly by the seat of their pants these days.

The impetus has to come from agents and companies alike, if there is to be a change. Any change should be based upon a realistic analysis and cooperative efforts of both companies and agents. We all know that buying habits change. Do we believe that this fact does not apply to the insurance product? Has insurance buying psychology changed? Has the customer finally set the price he has to pay for insurance? Let's find out.

Bascom F. Jones, for 15 years executive secretary of the Tennessee Railroad Assn., has resigned to become associated with his son, Elzie C. Jones, in a local agency in Nashville.

Standing Timber Cover of the South Carolina Okayed in Six States

Six states have approved the new policy covering standing live timber against fire and lightning which was developed by South Carolina Ins. Co. of the Seibels, Bruce, & Co. group. The filing is pending in several other states. The coverage, developed after two years of study and designed primarily for the southeastern states, is limited to \$1 million on any one tract for one year.

Basic rates vary according to states and subtractions are made on a percentage basis for factors which improve the risk and additions for those which increase the hazard. Base rates in states in which it has been approved are Florida, \$1.88; Georgia, 56 cents; Louisiana, \$1.04; South Carolina, 56 cents; Tennessee, \$1.20; and Texas, \$1.68.

A special feature of the policy that plantations are to be written only in conjunction with merchantable trees, which are defined as portions of living trees of six inches or greater diameter at 4½ feet above the ground for softwood, and eight inches or greater diameter at 4½ feet above the ground for hardwood. Plantation trees are those living trees planted by hand or

(CONTINUED ON PAGE 33)

50th Hartford Fire Training Unit

The Hartford Fire training center, believed to be the oldest school of its kind devoted exclusively to fire and inland marine coverages, has conducted its 50th session. Located in Hartford, the center, organized in 1946, gives agents of the Hartford Fire group in the United States and foreign countries an opportunity to bring themselves up to date on fire and in-

land marine techniques.

The most recent class, which ran five and one-half days weekly through April 1, included both veterans and newcomers to the business.

Arthur N. Eagles, director of the school since its inception, had as associate director Clifford W. Burnham. They were assisted by Special Agent Milan H. Palmer.



Pictured above are: Oliver L. Knapton of Hillsboro, N. H., Harvey D. Kaufman of Cleveland, Associate Director Clifford W. Burnham of the center, F. Elgin Bayless, Jr. of Sebring, Fla., and Walter F. Hapip of Williston, N. D.

Third row: James T. Leinen of Wilton, N. D., Albert E. Price of home office, Keith B. Merrill, Jr. of Des Moines, Edward Clements of L'Anse, Mich., John M. McCoy of Moline, Ill., Jack K. Kiely of Ithaca, N. Y., and Arthur N. Eagles, training center director.

Point Out Agent's Value, Black Urges in Talk at Detroit

The importance of the property insurance business to broaden its campaign of publicity to establish the independent local agent as the most practical, efficient and altogether satisfactory medium of providing property insurance was emphasized by Kenneth E. Black, president of Home, before Detroit Assn. of Insurance Agents.

He said that such action, as well as intensified efforts to streamline methods of operation, was essential "if the property insurance business is to realize the magnificent opportunities of the future."

Mr. Black declared that this can and should be achieved without deviating from the basics of business: advanced underwriting, sound investment practices and the maintenance of a reasonable expense ratio.

Oil Association Has Changes in the Field

Oil Association has transferred Elton J. Kunkle from Tulsa to Los Angeles where he will be direct assistant to J. R. Gray, resident manager. S. R. Hall is moving from Los Angeles to Dallas.

Mr. Kunkle has been with the association for seven years and has had experience in Chicago, New York and Tulsa. Mr. Hall has had field experience in the southwest with Stanolind Oil & Gas Co. before joining Oil Association.

The junior field inspection and service staff has been enlarged. Frank A. Walter is in the head office at Chicago after service with the Pure Oil Co. refinery at Lamont, Ill. George Y. Scarborough is at Los Angeles after service with Richfield Oil Corp. in California, and Billy J. Walker joined the Tulsa office after fire protection engineering education and experience with Oklahoma A. & M. and military service.

Recap Montana Bills Affecting Insurance

The Montana legislature has adjourned and the bills presented to the governor have been signed. Among the measures affecting insurance are:

—Standardizing the reporting of the fire portion of the premiums in cities and towns having organized fire departments and fire department relief associations.

—Increasing payments under workers' compensation to \$26 a week from \$23, and changing the waiting period from two weeks to one week.

—Requiring all contracts or policies of casualty insurance covering state owned properties or state risks to include an agreement waiving the right to raise the defense of sovereign immunity.

—Correcting inadequacies in the fire and inland marine sections of the insurance code to regulate deviations so as to conform with provision of the all-industry section.

Royal-Liverpool Has Bond Changes on Pacific Coast

Royal-Liverpool group has made several changes in the bonding department in the Pacific department. The changes follow the promotion of Albert A. Christian to manager of the nationwide bonding operations at New York. Milton M. Hollmann is advanced to

superintendent of the Pacific bonding department, and Robert M. Hoenisch becomes assistant superintendent.

Mr. Hollmann has been in the bonding department for many years as assistant to Mr. Christian, and Mr. Hoenisch has been in charge of the bonding department in southern California. He is succeeded at Los Angeles by Ronald N. Ottenson, who has been in charge of underwriting and production of bond business in the Rocky Mountain states with headquarters at Denver.

Whitner, Morris Get New Posts With SEUA

South-Eastern Underwriters Assn. has promoted Joseph Whitner and John W. Morris Jr. to the newly created rank of division engineer.

Mr. Whitner has been with SEUA since 1921 and Mr. Morris since 1925. Mr. Whitner has been in electrical work. Mr. Morris, a chemical engineer, has made a study of special hazards and hazardous processes.

Insurance Square Club of New Jersey will hold its annual dance and entertainment April 29 in Newark. Frank J. Miller of the St. Paul companies is chairman.

Kemper Group Has New Booklet Auto Policy

The Kemper companies have developed an auto insurance policy with a "new look." It is in booklet form in two colors and is illustrated and indexed to make it easy to read and understand.

Although different in format, the new streamlined policy will contain the standard provisions used heretofore and will include the recent revisions which broaden coverages. Because the new provisions won't be effective in Virginia until July 6, the new booklet policy will not be available there until after that date.

The policy has these innovations:

—A convenient booklet which eliminates the complicated folding and unfolding required by the present bulky forms.

—A picture guide to major coverages.

—A simple index of provisions to enable the policyholder to find information quickly without wading through the entire policy.

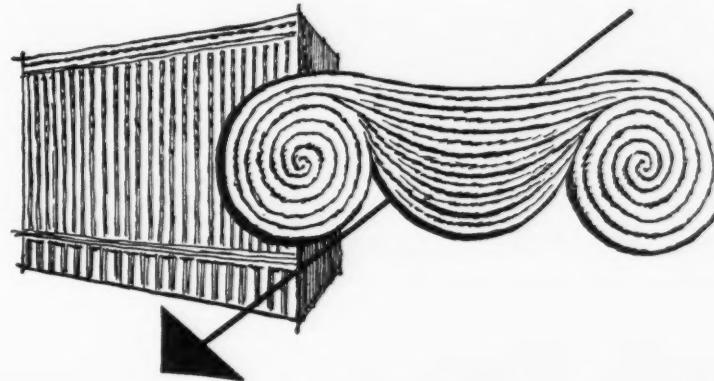
Two-color treatment to make the policies attractive.

—Special typographic design for easy reading.

The new policy form is available to agents of Lumbermens Mutual Casualty, American Motorists, American Manufacturers Mutual and Federal Mutual. In Massachusetts the booklet policy will be available without pictures.

To activate the policy, all the agent has to do is prepare a declarations page which is then attached to the inside back cover of the booklet. All the necessary policy provisions are contained in the booklet. The only typing done by the agent is on the declarations page which, with the daily report copies, come in pre-carboned and pre-numbered snap-out assemblies which eliminate separation of policies from daily reports. No additional typing is required to produce identification card and company card records.

Athens County Grangers Mutual has changed its address from Athens, O., to Albany, O.



THE INSURANCE EXCHANGE

is in step with the times

IT is the constant aim of the owners and of the management of the Insurance Exchange Building to keep the facilities and the service of Chicago's largest office building thoroughly modern and up-to-date.

For example, consider elevators. Several banks of Electro-matic elevators of the latest design have just been installed in the Insurance Exchange. And in line with the trend toward air con-

ditioning, five floors of the Insurance Exchange South have been completely air conditioned.

These improvements are merely steps in a long range modernization program. Plans are being made that will still further enhance the prestige of the Insurance Exchange as one of the nation's finest office buildings.

Your space inquiries are invited and will receive our prompt attention.

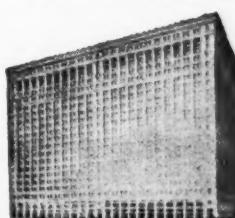
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Why delay your inquiry?
A CAPITAL STOCK COMPANY

Agent Liable for Fraud in Misstatements

An agent, in his zeal to sell an A&H policy, who falsely represents his own policy and makes misstatements concerning another A&H policy held by the prospect is liable to action for fraud and deceit, Judge Taylor of South Carolina supreme court decided in the case of Gardner vs. Mutual Benefit H&A (CCH 2 life and H&A 72). He decided allegations made in Gardner's complaint constituted a cause of action. The case, in which Mr. Gardner is seeking \$3,000, actual and punitive damages, is yet to be tried.

The appeal arose when the presiding judge of court of common pleas of Chesterfield county, South Carolina, refused to strike certain paragraphs concerning allegations of false facts said to have been represented by the Mutual Benefit H&A agent.

According to the complaint, the agent offered Mr. and Mrs. Gardner a family hospital expense policy which he said was a better policy than the one they already had with Equity Life. It contends that the agent said the Mutual Benefit H&A policy would pay them more money in the event they were hospitalized and that the rider in their Equity Life policy was "dead".

It also alleges that the agent said the Mutual Benefit H&A policy would cover the Gardners for any and all periods of hospitalization regardless of any injury or illness that either of them had had previously.

The allegations also stated that though the Gardners gave the agent a complete medical history and a true statements concerning their physical conditions he filled out the application with inaccuracies concerning this information.

Both Mr. and Mrs. Gardner called his attention to these inaccuracies, according to the complaint, but he assured them that the application contained all the pertinent information that was necessary and required by the company.

The complaint also contends that the agent represented himself as being an expert in hospitalization insurance by his own statement and by his acts in analyzing his insurance policy and that of Equity Life, and that he assured them there would be no way they could impair their coverage if they cancelled the policy with Equity Life.

Subsequently, the complaint states, Mrs. Gardner had a series of hospitalizations and operations and died of the

illness. After each of these hospitalizations Mr. Gardner put in a claim, but the insurer refused to pay. Also after a hospitalization of Mr. Gardner, the insurer refused to pay.

Later the company tendered to Mr. Gardner a premium refund, contending that answers appearing on the application were incorrect and because of these erroneous answers coverage would be declined.

Mr. Gardner contends that because of the acts of the agent, he cancelled the policy with Equity Life which would have provided coverage for some of the illness and hospital bills. And in addition because of his present physical condition and the past physical condition of Mrs. Gardner, it is impossible for him to obtain other similar insurance.

Appleby Agency 70 years old

The Appleby agency at Asbury Park, N. J., is 70 years old. It was started by T. Frank Appleby. Today it is one of the largest agencies on the shore front.

Pa. Hospitalization Probe Asked

A resolution has been introduced in the Pennsylvania house that would authorize its insurance committee to probe hospitalization insurance in the state. The committee would be empowered to issue subpoenas and hold public hearings.

Insurance Advisory Work Told

New Jersey CPCU chapter heard John R. Blades of Blades & McCauley discuss the role of the professional insurance adviser, work he has been engaged in since 1927.

Fire Association to Montclair

Fire Association group will move May 1 from Newark to 26 Park street, Montclair, N. J. The premises formerly were occupied by Bankers National Life and will be renovated.

Pa. Salary Attachment Bill

A bill introduced in the Pennsylvania legislature would authorize attachment of up to 50% of the salary of persons against whom judgments have been returned following drunken driving accidents.

Agents Named to Tenn. Council

Two Tennessee local agents, George D. Gracey of Covington and Carroll G. Oakes of Morristown, have been named members of the Tennessee legislative council.

Nat'l Service & Appraisal to Move

National Service & Appraisal and Hill's Reports are moving to the State-Madison building, Chicago, May 1. The phone number of the companies will remain the same.

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Insurance Men to Speak at Safety Parley in New York

Several speakers from stock insurance companies will speak at the annual safety convention and exposition of Greater New York Safety Council, April 11-15.

Richard Y. LeVine, director of the engineering and research division of Assn. of Casualty & Surety Cos., will speak on the safe disposal of cyanides and other poison wastes. John S. Cruikshank, chief engineer of Federal, will outline a guide for supervisors in detecting and correcting unsafe conditions in manufacturing plants.

John V. Grimaldi, assistant manager of the accident prevention department of Assn. of Casualty & Surety Cos., will speak at three different sessions on noise and its connection with occupational hearing loss, the relationship between noise and neuro-muscular performance, and an indication, by display and demonstration, of devices safety engineers can use to explain and test physical and chemical phenomena associated with hazards in a factory.

Theodore F. Monahan, safety engineer of Travelers, will show the application of new techniques and approaches to defensive driving. A. E. Walker, supervising engineer of Travelers, will talk on top management responsibility and leadership.

Carl F. Olander, engineering supervisor of American-Associated, will discuss and demonstrate audio and visual recording techniques. Thomas A. Seals, assistant educational director of Assn. of Casualty & Surety Cos., will describe ways schools can train children to respect safety.

Other insurance representatives at the meeting will be Anders V. Thoren, assistant supervising engineer of Travelers; William J. Hyland, safety engineer of Travelers; George E. Decker, senior engineer of Aetna Casualty; Fred F. Beik superintendent of the engineering division of American group; John J. Pascal of St. Paul-Mercury Indemnity, and Robert Hagopian of Assn. of Casualty & Surety Cos.

Premium Tax Bill Passes Ala. House

The Alabama house has passed and sent to the senate the graduated premium tax on foreign insurance companies. The tax, ranging from 2 to 3%, depends on the amount of investments each company has in Alabama.

London Assurance PR Trophy To Be Presented

The London Assurance public relations trophy will be presented again this year to the local board in New York state which has demonstrated "outstanding community activity interpreting and promoting the aims, services and accomplishments of capital stock insurance." Presentation will be made at the convention of New York State Assn. of Insurance Agents Syracuse May 8-10.

Hagar, Retiring, Will Continue in Loss Work

Charles N. Hagar, superintendent of the improved risks department of Great American group, has retired. He is moving to Florida where, at 6719 Burlington avenue, North St. Petersburg, he has built a home.

Mr. Hagar will continue independently in loss prevention, fire protection and safety work, specializing in the prevention of interruptions of operations. He has been especially active in the use of protective devices such as automatic sprinklers, water spray, carbon dioxide, dry powder, foam and smoke and heat detection systems as well as first aid and safety devices and appliances.

After engineering and research ex-

perience, Mr. Hagar entered the business as a sprinkler risk inspector with New York Fire Insurance Rating Org. Later he was an insurance engineer on large industrial properties for an insurance brokerage organization, a post he left to go with Continental as division engineer. Subsequently he joined Great American.

He has served as chairman or member of a number of technical committees. He is a member of the committee on preservation of historical property of National Fire Protection Assn. and of Society of Fire Protection Engineers.

Automobile Owners Safety FTC Hearing Postponed

WASHINGTON—A further hearing on the federal trade commission's complaint of false and misleading advertising of A&H against Automobile Owners Safety was postponed from March 31 to April 11 because the transcript of an earlier hearing was not ready.

Buys Am. Home Business

Trezevant & Cochran general agency of Dallas has purchased the business of American Home from the William H. Cousins general agency of Corpus Christi. The Cousins general agency will continue to handle Glens Falls, Standard of New York, Merchants of New York and State of Pennsylvania.

Ohio Adopts IM Definition

The nation-wide inland marine definition has been adopted in Ohio, together with the interpretations made so far by the committee on interpretation.

Inland Empire Names Pearson

Inland Empire of Salt Lake City has appointed Walter B. Pearson & Co. of Portland as general agents in Oregon.

Recommend Self Insurance for Minneapolis Property

MINNEAPOLIS—A program of self insurance for city-owned property has been recommended to the city council by the Citizens League, following a study by a sub-committee of the league in conjunction with Minnesota chapter of National Insurance Buyers Assn.

The Citizens League suggests the city council drop its present limited fire insurance coverage and adopt a complete plan of self insurance without a reserve fund. Property losses would be made up from current operating funds or by borrowing. In effect, this is what the city has been doing, because its present coverage amounts to only about 1% of the property values. The league gave six reasons for self insurance:

Wide geographical distribution of city property.

No large concentration of value in any one property in comparison with the total.

The extensive borrowing power of the city.

The expense of carrying any realistic amount of insurance.

The use of self insurance by other cities.

Difficulties of keeping a reserve fund untouched.

Mass. Agents' Summer Institute

Massachusetts Assn. of Insurance Agents will hold a summer insurance session June 15-17 at University of Massachusetts, Amherst, with the following topics on the agenda: Block policies, time element coverages, survey selling, multiple line policies, agency legal liability, combination residence policies, agency set-up and comprehensive general liability.

N. Y. Auto Claims Dinner May 6

Automobile Claims Assn. of New York will hold its 25th annual dinner May 6 in New York City.

Comments on \$91,000 Award for Pain and Suffering

Commenting upon an allowance to plaintiff of \$91,670 for future pain and suffering in a personal injury case where the total lower court award was \$275,000, Justice J. Christianson of the Minnesota Supreme Court stated that "... no amount of money per day could compensate a person reduced to plaintiff's position, and to attempt such evaluation, as in this case, leads only to monstrous verdicts... We find no passion or prejudice on the part of the jury in arriving at its verdict. Apparently the excessive verdict resulted merely from its unwitting acceptance of the figures submitted by plaintiff..."

The court ruled that the injured man must accept a reduction of the \$275,000 verdict to \$175,000 or face a new trial. The injured man, 26 years old, was earning 75¢ an hour at the time of his injury, had never earned more than \$5000 in any single year from private employment, and his average gross earnings at the time of his injury were \$225.37 monthly. Further, his performance of manual labor indicated that he would not maintain a constant earning level throughout his life but that his wages would decrease.

No theory of damages required the plaintiff to be endowed with an estate, the court said. The \$275,000 verdict guaranteed the plaintiff an estate of that much, because the income from it would pay his living expenses.

The case is Ahlstrom vs Minneapolis, St. Paul & Sault Ste. Marie R. R. Co., 4 CCH (Negligence 2) 439.

Brooksville, Fla., Board

Officers of the newly formed Brooksville (Fla.) Assn. of Insurance Agents are Jack Vogel, president; T. S. Rice, vice-president; Ed Browning, secretary, and J. D. Steen, treasurer.

Dorchester Mutual Fire held its 100th anniversary meeting in Boston.

Selling ACCIDENT AND HEALTH IS LIKE GETTING THE FIRST OLIVE OUT OF THE BOTTLE.

After that, the rest come easy. Have you neglected to sell this profitable line, believing it to be too complicated? Our new modern Accident, Health and Excess Medical Expense policies have been simplified so that they are easily sold. The services of our field force are available to help you write your first order. After that, you will find our sales aids extremely helpful.

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I am interested in your new Accident and Health policies. Please send me sample sales aids.

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WANT ADS

Rates—\$15 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

ACCIDENT AND HEALTH ACCOUNTANT

Exceptional opportunity for young man to assume responsibility for development in supervision of the accounting program of a well financed company with unusual growth potential.

Should be College Graduate with accounting major and have experience in all phases of A & H Home Office accounting.

Write full particulars giving age, marital status, education, experience and salary requirements.

BOX E-26, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SALES OPPORTUNITY IN SOUTH GEORGIA-FLORIDA-ALABAMA

Career Opportunity with progressive, rapidly expanding group's southeast division headquarters in Atlanta, Georgia. We are interested in men with either agency or company experience and the imagination necessary to do sales supervisory work in the development of agencies. Age near 30 to 40. Straight salary and in addition unusual bonus and profit sharing plan. Contact division manager.

GENERAL INSURANCE COMPANY OF AMERICA
1401 Peachtree Building, Atlanta, Georgia

RATE SUPERVISOR Needed By NEBR. INS. DEPT.

Company or department experience required. Salary \$5,000-\$6,500 range depending on experience and background. Unusually congenial working and living conditions. Fine opportunity for company contacts. Duties include approval of company filings such as rate plans, rates, policy forms, etc., supervision of four other rating employees, participation in N.A.I.C. affairs, etc. Contact Thomas R. Panning, Director of Insurance, State House, Lincoln, Nebraska.

UNDERWRITER

Experienced Underwriter for St. Louis Branch Office, of direct writing casualty insurance company. Must have working knowledge of Workmen's Comp., Auto & Gen. Lieb., Retrospective Rating Plans. Knowledge of Fire desirable, but not essential. Send résumé of experience, age, background and education and salary expected to Box E-16, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

MULTIPLE LINE SPECIAL AGENT

wanted by large independent company, for Milwaukee County territory and closely neighboring area. In reply give full detail re experience, salary, etc. Address E-20, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

HOME OFFICE CASUALTY UNDERWRITER

Desired by 70 year old multiple line Midwestern Company. Man between 25 and 35 years of age—at least 3 years experience in underwriting with an agency company. Advancement and salary according to ability and experience. All replies held in strict confidence. Write details, experience and references to E-22, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT WANTED

by Multiple Line Writing Company for Chicago and Cook County territory. Please state qualifications in first letter. All replies held strictly confidential. Box # E-14, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

O'Connor Reviews Package Policies at Pittsburgh I-Day

(CONTINUED FROM PAGE 3)
ard fire policy, extended coverage endorsement, and a somewhat restricted version of residence and outside theft coverage; (2) homeowners' policy B, which adds substantially the coverage of the additional extended coverage endorsement and provides more additional living expense insurance; (3) homeowners' policy C, endorsed to provide the coverage of the all physical form on the dwelling—but not on the contents.

2. The comprehensive dwelling policy of Interbureau Insurance Advisory Group. Fundamentally, this contract may provide the same coverage as the homeowners' policies, but it is more flexible and may be varied to meet the wishes of insured, particularly as to amounts of insurance on different items, coverages, etc. At present, it may not provide all physical loss coverage, but it seems reasonable to assume that eventually this will be permitted, particularly if this coverage proves popular under homeowners' policies. The insured, if he wishes, may skip entirely coverage on either the dwelling or on its contents, and may vary the amounts. The premium is divisible, and involves a complicated calculation, subject to an over-all discount if certain conditions have been met.

Mr. O'Connor related that among the many independent policies on the market, one which may prove to be important is a recent one intended for tenants. It is roughly similar to home-

OHIO FIELD MEN

TOLEDO special agent needed to establish service office supervising present agencies with emphasis on new agency development. Future advancement for ambitious experienced man desiring opportunity for increased responsibilities.

COLUMBUS special agent to service Central Ohio agencies. Man with underwriting experience would be considered.

Columbus office maintains complete multiple line underwriting facilities for entire state of Ohio. Pension plan and favorable employee benefits.

Trinity Universal—Security National Insurance Companies, 150 E. Broad St., Columbus, Ohio—E. B. Yates, Manager.

WANTED FIRE ENGINEER

for southeastern Michigan (including the Detroit area) by large multiple line company. Liberal salary and benefits. Expense allowance. Right man may earn opportunity to participate in executive development program.

Prefer Bureau experience. Age 25 to 35. All inquiries treated in strict confidence. Write D-94, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

FIELDMEN ATTENTION!

Would you like to represent the Company that offers both the agent and the consumer the most appealing policies on the market today? Our rapidly growing volume necessitates bringing experienced men into the organization in Kansas, Illinois and Ohio. You owe it to yourself to investigate the opportunities for advancement and security, plus the unusual employee benefits. Write in confidence to R. G. Millstead, Personnel Manager, General Insurance Company of America, Buder Building, St. Louis 1, Missouri.

WANTED TO PURCHASE

Two young men—experienced—desire to purchase established insurance agency in Southwest or Midwest United States. Would like to arrange working agreement with owner for at least a year before taking complete control. Address E-30, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FOR SALE

3 BURROUGHS MACHINES

3 Burroughs style 72070 (Moon-Hopkins) machines, ser. no.—B-62688, A-343135, A-405657 in excellent condition. 24" carriages, 7 registers used for acc'ts. rec. & acc'ts. Pay. posting. Price reas. G. A. Mavon & Co., 175 W. Jackson Blvd., Chicago, Ill. Phone WA 2-8000.

AVAILABLE

Young multiple line agent desires change in position. Graduate engineer and Rating Bureau experience. Wants permanent job with opportunity for advancement commensurate with demonstrated ability. Please write details. Box E-18, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CHIEF FIRE UNDERWRITER

Tired of winter? Here's your chance to move South and win a promotion. A multiple line direct writing mutual in Atlanta will talk confidentially to applicants under forty with at least five years experience. Salary open. Write E-28, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

owners' policy B in that it covers property on the premises against fire, the perils of extended coverage and additional extended coverage endorsements and theft, and also provides coverage on personal property away from the premises, additional living expense coverage, and personal liability insurance. The market at present is limited, but, if the package idea becomes as popular and permanent as most of us think it will, this coverage or some coverage based on it will undoubtedly become readily available, at least in territories where a substantial proportion of desirable insureds live in rented properties.

In general, the advantages and disadvantages of the two major residence package policies in use today can be summed up rather easily:

1. The homeowners' policy is inflexible. Its arbitrary amounts of insurance do not fit the needs of every insured. Many producers have hesitated to offer this policy to an insured who carries or who should carry the personal property floater.

On the other hand, the relative simplicity of premium calculation and quotation has made the homeowners' policy attractive to many producers. Also, despite the criticisms about its inflexibility, many producers who have used the policy thoughtfully report that it often results in a desirable insured carrying more insurance than he previously bought. In their opinion, it is a good policy for the *average* homeowner—but should not be peddled or pushed indiscriminately.

2. The comprehensive dwelling policy provides the flexibility which many conscientious and intelligent insurance producers want. On the other hand, no one pretends that computing a premium for it is anything but difficult. Producers often object that they need two calls to present this coverage—one to get the information and the other to present a definite premium.

Package policies are here to stay and will probably spread rather than diminish. Whether the public demands them or not, he declared, the realistic attitude is that competition is going to keep these policies on the market.

From the viewpoint of the producer, it is often advantageous to be able to sell, at one sitting, a contract with a substantial premium, which will provide insured with satisfactory protection, perhaps better than he had previously. The contracts have resulted and will continue to result in more and more insurance of one individual being concentrated in one insurance office. Probably every office has lost an occasional isolated contract because another agent has picked up the coverage as part of a package policy; and conversely has picked up coverages which had been scattered in other offices. The aggressive producer will probably gain more than he will lose by this development.

However, there is the serious objection, from the producer's viewpoint, that concentrating the bulk of a client's personal insurance in one contract, with a substantial premium, creates a competitive target. At best, the existence of these package policies means that every thoughtful insurance producer should have adequate premium financing facilities available. At worst, it could trigger a serious rate war. In time of depression, it might mean that hard-pressed insured would drop the entire package and be completely without coverage, which would be worse than inadequate insurance.

In looking to the future, Mr. O'Connor said it seems entirely reasonable that the available policies will become

more and more popular, particularly in all-risk floater available insurance.

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more and more flexible or, that more and more policies will make their appearance so that the producer will have additional combinations. For example, there seems to be no reason why the all-risks cover of the personal property floater should not become generally available on household contents for insured who want this coverage and are willing to pay for it.

Perhaps some day automobile insurance will be offered as part of a residential package. There are a few independent insurers now doing this. This may be too fantastic a prediction, because the automobile liability situation is certainly explosive and perhaps the day when most companies will be willing to commit themselves to automobile premiums for more than one year in advance is too far off to be considered seriously. However, it is at least a possibility.

More probably, Mr. O'Connor believes, is the extension of the package idea to small businesses. For several years, there has been the storekeeper's liability policy, which can be compared to the comprehensive personal liability policy in that it covers all the liability exposures of the average retail risk, except automobile. While there undoubtedly would be actuarial problems, it does not require a great deal of imagination to visualize this contract being combined with property insurance to make an attractive package for small retailers.

Eventually—and probably not very far in the future—he is certain there will be some form of residence package policy pushed aggressively by the big non-agency insurers which have been so successful in the automobile insurance business. A package which to some extent meets the needs of a lot of people and which can be handled without too much detail work is exactly what these insurers need to make a dent in the dwelling and personal property insurance business. As their agency forces are set up, they need an insurance package which meets at least three requirements.

It must reasonably meet the insurance needs of a large number of people and be capable of being sold to them freely.

It must be standardized and largely inflexible, so the so-called agents of these insurers will have little discretion in arranging it and so it can be handled within the company on a mechanical basis.

It must have a sufficiently substantial premium—made easy to pay by installment plan, of course—so that the so-called agent can make money selling it, even at a rate of commission which seems very low to orthodox insurance agents.

Beyond doubt, those three considerations have been responsible for the success of these insurers in automobile. Very likely they are working hard to create a similar product in the dwelling insurance field. Flexibility and discretion on the part of the producer are

the last things they want.

The problem of the agent and his companies in the dwelling package field is most complicated. He cannot ignore these contracts, because his competitors including those outside the orthodox agency ranks will surely push them. Simplicity in understanding and handling contracts is certainly desirable, but if the insurance business goes too far in this direction, it may find it has played right into the hands of non-agency competitors.

The immediate future of the business involves a lot of hard work, careful study, and intelligent observation, Mr. O'Connor said. But it is not a dark picture. With all its headaches, the past year should have given every intelligent insurance producer a remarkable tribute from the public. Despite all the confusion and resentment within the insurance business, the fact is that the public has accepted both package policies and broadened dwelling forms—and has done so almost entirely because of its confidence in insurance agents. As one producer who answered a questionnaire about new forms wrote, "The public is not confused, but we are." After all the slurs which have been cast upon the agency system, it should be heartening to see that the public still buys new and untried forms of insurance on the agent's prescription.

It is most important for every insurance producer to take no one's word about a particular form. Its title may not tell the story at all. No producer can confine himself to generalities in mastering these forms. Mr. O'Connor does not think that the time has come when clients would be anything but bored or confused by a detailed description, but it is certainly important to have that knowledge available when losses come in or when a misinformed competitor makes a misleading statement. These forms have been changed and they undoubtedly will go through more changes, so the task is not going to be easy.

It was not long ago that many people were assuring agents that automobile and residential insurance lines were the most vulnerable to non-agency competition, because they required little service, and a producer could not justify his commission on them. It may be that the lawmakers will not let the insurance business correct that situation with automobile insurance, but this past harried year has certainly made the other half of the statement untrue.

Despite all its problems, the present developments in dwelling insurance have certainly given the insurance agent a golden opportunity to demonstrate his service to the public, Mr. O'Connor said. Difficult as it is, it is to be hoped that dwelling insurance does not become so crystallized and mechanical that the so-called agents of semi-direct writers can sell it on a production line basis—and agents will have nothing better to offer the public.

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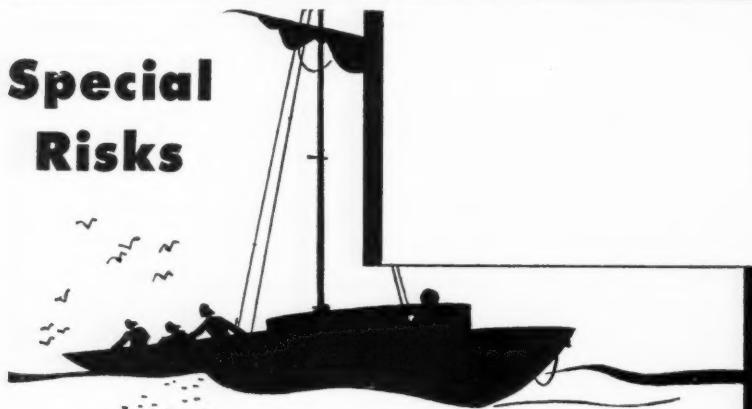
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Authority to Cut Auto Rates in Fla. is Asked

The Florida insurance commissioner would be empowered to reduce rates on automobiles if they are found to be unreasonable or discriminatory under a new section added to a proposed revision of the financial responsibility law by the house public safety committee.

The revised FR bill would make it mandatory for a driver's license to be suspended for five years if he fails to have liability insurance or some other form of FR after the first accident.

Revise N. C. Tax Proposal

The joint finance committee of the North Carolina legislature is studying new tax proposals that include taxing domestic insurance companies an additional \$750,000 a year instead of \$1,700,000 that was originally proposed.

Gov. Hodges has indicated the new plan is acceptable to him. Also included in the new proposals is one to raise the agent license fee from \$2.50 to \$5 which would bring in an additional \$130,000 annually compared to an earlier estimate of \$172,195.

Reverse Nurse's WC Award

ST. PAUL—A \$6,742 workmen's compensation award by the industrial commission to a nurse has been upset by the state supreme court in a unanimous decision.

The nurse, Mrs. Nora Romani filed the claim alleging she contracted tuberculosis while working for the city hospital. In denying the commission's award, the court's principal holding was the law requires more than evidence that an employee of a public institution came in contact with tubercular patients and with tuberculosis-contaminated material. Evidence must show, the court said, that such contact was the source of infection.

Represents North British 75 Years

North British held a luncheon honoring the A. Q. Miller agency of Auburn, Me., on the occasion of its 75th anniversary of representing the group. Guests were William M. Collins, George Paiton and Donald M. Paiton of the agency. Arthur C. Buettner, North British special agent in the area, presented gifts to the agency members.

Claremont Assn. Elects Arcand

Claremont, N. H., Assn. of Insurance Agents has elected Robert F. Arcand president, James F. Mackintosh vice-president, and Alton G. McGowan secretary.

Auto Inspection Bill in Ohio

The Ohio house has passed a bill requiring annual inspection of automobiles. Its proponents claim it will cut insurance premiums.

So. Cal. Buyers Hear Agent

LOS ANGELES—Irwin Cary, Los Angeles agent, addressed the March meeting of Southern California insurance Buyers Assn. on "Insuring Valuable Papers and Records."

Doherty Is IM Special Agent

Mutual Inland Marine Underwriters of New England has named John J. Doherty special agent at Boston. His office is 89 Broad street. Recently he has been in the inland marine field with Aetna Casualty.

Graham to Agency Ranks

William W. Graham has joined the M. M. Treadwell agency of Seattle as manager at Kirkland, Wash. He has been special agent for Swett & Crawford at Seattle and is replaced in that position by Jay Ashley, who has been

assistant manager at Spokane for Swett & Crawford since 1952.

Glens Falls Names Lewis to Chicago Claims Post

Glens Falls group has named Wallace J. Lewis superintendent of the claims and loss department of its central department at Chicago. With the group for 25 years, he was chief adjuster in the central department for many years, working closely with the late Henry Crosley.

E. K. Buzby Joins Wolverine

Eugene K. Buzby has joined Wolverine at Battle Creek as superintendent of state filings and forms. He has been a deputy commissioner of Pennsylvania.

Mr. Buzby joined the Pennsylvania department in 1947 in the examination division and later was the Zone 2 examiner of the William Penn-Rhode Island Ins. Co. examination. In 1947 he was assigned to the Pennsylvania bureau of rate regulation in charge of the casualty section, and later became deputy commissioner. Before 1947, he was in the insurance business for 17 years, both as local agent and with the North American.

Discuss Lawyer Coverage

New Jersey State Bar Assn. held a meeting in Newark to discuss the plan to provide lawyers' indemnity protection through the contribution of up to \$25 per attorney per year.

Auto Rate Cuts in N. C.

Commissioner Gold has approved automobile liability rate changes estimated to result in decreases amounting to \$800,000 a year as proposed by North Carolina Automobile Rate Administrative Office. The changes include decreases of 2.7% in bodily injury and 9.3% in property damage for private passenger cars and 8.7% in bodily injury for taxicabs.

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Hawkeye-Security Names Mich., Ind. Managers

Thomas Hicks has been named manager at Indianapolis and Robert Grube at Grand Rapids, Mich., by Hawkeye-Security. Mr. Hicks has been with the company as special agent in Indiana since 1948. He has also been with First Insurance Finance Co. Mr. Grube joined the company in 1950 and was named underwriting manager at Grand Rapids the following year.

Live Timber Cover of South Carolina in 6 States

(CONTINUED FROM PAGE 25)

machine, as distinguished from those which are reproduction or second growth of voluntary trees. Planting costs are added to the total value in proportion to the size of the trees planted.

The company also limits its liability to the difference between the value of the standing trees or plantation trees before the fire and the salvage value immediately after the fire.

The company takes into consideration the dry season, any part of the months of February, March, April, May and June, and adds a charge equal to 80% of the annual premium for the seasonal hazard. If insured wishes to cancel, the return premium is calculated at the short rate of the difference between the dry season charge and the full premium charge.

If only a portion of a forest burns, the insurance attaches to each acre in the exact proportion the value bears to the value of the whole property at the time of the fire.

A deductible of 2% of the value of

the insured trees or \$150, whichever is greater, is included. Insured must pay the cost of appraising any loss that is determined not to exceed the deductible amount.

There is a special clause which allows the insurer, unless it elects otherwise, not to accept proof of loss or make payment of indemnity before Dec. 31 of the year after the year of the date of the loss.

None of the timber policies has yet been issued. However, several forestry organizations have inquired about the policy and company representatives have met with several of them to outline the program. In addition, several forest owners have become acquainted with the program.

Seibels, Bruce & Co. believe that many benefits will flow from the program, for the public as well as forest owners, since the forest owner will be able to borrow money at a low rate of interest and eliminate the need to cut unripe trees. Business men will more readily invest their money in planting denuded forest lands since their investments can be protected by insurance.

Better forest protection will evolve because of pressure by forest owners for a lower premium, which can be gained as the hazards accompanying the risk are reduced. The insurer will support the forest fire law enforcement agencies, and the improvements made will tend to conserve and improve forests.

One forester has called the coverage "the greatest single advancement in forest practices that has occurred in the past hundred years".

Western Fire & Indemnity of Lubbock, Tex., has been licensed for multiple-line operations in Utah, New Mexico and Nevada.



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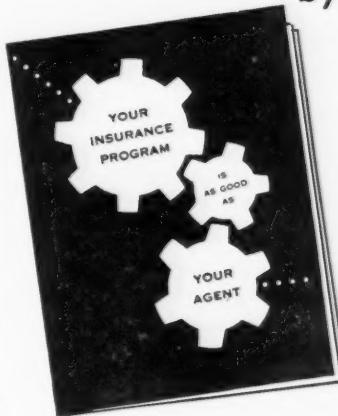
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Zone 5 of NAIC Meets at Santa Fe

Commissioners in zone 5 of NAIC conducted a two-day meeting last week at Santa Fe, N. M., with Superintendent Apodaca of New Mexico presiding.

The commissioners from Arkansas, Colorado, Kansas, Nebraska, Oklahoma, Texas and Wyoming were welcomed by the mayor of Santa Fe and members of the New Mexico insurance board, with responses by Commissioners Beery of Colorado and Hunt of Oklahoma.

Addresses the first day were given by Richard H. Robinson, New Mexico attorney general, on "The Crossroads of State Supervision of Insurance"; Frank T. Di Luzio, manager of the atomic energy commission at Los Alamos, on "Safety in the Atomic Age," and Gov. Simms of New Mexico on "The Opportunities for Economic Development in this Area."

The first afternoon those attending the meeting took a tour of Taos and the Indian country.

The second morning R. H. Harmon, assistant manager of Mountain States Inspection Bureau, and Jack E. Larson, secretary of Multiple Peril Insurance Rating Organization, spoke on home owners insurance plans A, B and C. Mercantile block, commercial property floaters and dealers block policies were covered by William Iliff, marine production superintendent of Fireman's Fund group at San Francisco, and W. H. Rodda, secretary of Transportation Insurance Rating Bureau.

Craugh Pushes National No-Bite FR Law at Miami

Adoption by all states of a uniform financial responsibility law to protect the public from reckless, irresponsible automobile drivers was urged by Joseph P. Craugh, executive vice-president of Utica Mutual, at the University of Miami's insurance law conference.

A bill similar to the one advocated by Mr. Craugh is now being prepared for introduction into the Florida legislature. It provides that driver licenses would be issued only to persons certifying they have financial responsibility.

Anti-Government Owned Bill Enacted In N. C.

The North Carolina senate has enacted into law a bill prohibiting any foreign owned or controlled insurance company from doing business in the state. The house previously passed the bill.

Stone & Cox Makes Changes

G. Stanley Webb has been elected chairman of the board of Stone & Cox insurance publishing firm of Toronto. He has been with the company for 35 years and has announced his intention to retire June 30 under the company's pension plan. He will continue in a public relations and advisory capacity, however.

Mr. Webb started with Stone & Cox in 1920, became vice-president in 1923 and vice-president and managing director in 1944. He was elected president in 1950, succeeding Mrs. F. Cox, widow of the late Charles Cox, founder of the firm.

John S. Wyndham is vice-president and managing director of Stone & Cox in Canada, and M. Douglas FitzMaurice, director of sales, has been elected a vice-president.

Judge Praises Lloyds for Preventing Loss in Syndicate Collapse

The collapse of the Wilcox Syndicate of London Lloyds as the result of a conspiracy on the part of the principal, A. E. M. Wilcox, and two of his associates, will result in no loss to policyholders nor to the "names" in the syndicate. The conspiracy case against Wilcox was decided at London March 29 and he was sentenced to eight years' imprisonment.

During the summing up of the case Justice Streatfeild in the Old Bailey referred to the fact that a "name" at Lloyds undertakes a liability to the full extent of his personal fortune, if necessary, and said:

"Here as you know, unhappily, there has been a terrible crash of this (Wilcox) Syndicate at Lloyds. If the undertaking of the 'names' were enforced there is no doubt these unfortunate 'names' might be faced with the most disastrous liabilities. I was glad to know ... that the great institution of Lloyds have clubbed together and they have agreed to see that not only no client who has taken out a policy with this syndicate shall suffer, but also none of the 'names' shall either. That is more than a mere gesture. It is one of those things which surely makes the institution of Lloyds what it is."

"A crash of this sort might so easily have shaken the whole institution to its very foundations, but when you find that the committee of Lloyds, on behalf of the whole body of underwriters, has taken this view and action about it, one can well understand that out of this wreckage, far from the foundations of Lloyds being shaken, their world-wide reputation has been enhanced, and one feels the integrity of Lloyds stands even more firmly than it did before."

Before passing sentence, the judge characterized the actions of the defendants as "one of the most shocking and long drawn out frauds which has disfigured the commercial life of this great city for many years."

One of the courtroom observers at the sentencing and summary was C. Reid Cloon, president of Illinois R. B. Jones, Inc., who is visiting in London.

Kearney Joins Atlantic Mutual in Washington

James T. Kearney has joined the Seattle office of Atlantic Mutual as a special agent, having resigned as special agent at Seattle for Corroon & Reynolds. Mr. Kearney, a veteran of the marines, started in insurance with Washington Examining Bureau and was later with Retail Credit. He was a fire examiner in the home office of General of Seattle from 1952, until joining Corroon & Reynolds in 1954.

Field Men Speak at Chisholm

Walter W. Ayraul, North British, and Roy W. Carlstrom, New Hampshire, president and vice-president respectively of Minnesota Fire Underwriters Assn. were the speakers at the March meeting of Range Assn. of Insurance Underwriters at Chisholm, Minn. They led a discussion on comprehensive dwelling forms, new policy legislation, and other current subjects.

Paul Perkovich was chairman of arrangements for the meeting, and Edward Rahne of Eveleth, president of the association, presided. Among the guests were Mr. and Mrs. Charles Bardezzino of Hibbing. Mr. Bardezzino is president of Minnesota Assn. of Insurance Agents.

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Automation Is Topic at WUA Meeting

(CONTINUED FROM PAGE 1)

be because our agents are better equipped to serve the insurance buying public," he opined.

The fire business has reached an unexpectedly complex state and agents can hold their ground only by having a store of knowledge far exceeding that required even of the best informed 50 years ago. Mr. Brown, remarking that the nine-point public relations program of WUA set up six years ago included encouragement of agency education, said this was begun in 1949 by Missouri Fire Underwriters Assn. which instituted the Missouri Caravan, a group of field men who toured eight cities over a two-week period giving one-day intensive training. This has become a tradition in the state, and the pattern has been taken up in Indiana, North Dakota, Oklahoma and Kentucky. In Oklahoma last year, for example, eight cities were covered with a total attendance in excess of 900, and in Kentucky sessions on dwelling forms, installment premium calculations and a new earnings form were attended by approximately 1000 agents.

Michigan, Mr. Brown observed, has an excellent educational program in conjunction with Michigan State College, and in the last six months the field men gave 900 hours of instruction to agency schools throughout the state. A similar system is being developed in Ohio. In Kansas the state is divided into zones with a group of field men conducting meetings in each at regular intervals.

"Most of you know, we presume, which of your field men participated in these commendable undertakings, and we hope you have signified your approbation to them," Mr. Brown said. "We again state our conviction: Our business can have no better public relation missionaries than well informed agents. And it is the only answer so far uncovered to off-rate, direct-writing competition."

Mr. Brown mentioned the WUA citation, which has been given so far to two field men for exceptional contributions, and touched on the appointment of a permanent catastrophe press chairman in each field club to make sure that the stock fire companies receive adequate credit in the local press for rehabilitating a community struck by a severe loss. This latter program has been endorsed by the National Board and is to be adopted by Eastern Underwriters Assn.

Taking up the WUA public relations program point by point, Mr. Brown said that on the score of public speaking and films, 426 field men have delivered 728 talks before 49,800 people in civic clubs and similar groups on fire insurance in the last 12 months. This does not include speeches at town inspections or in any phase of fire prevention. There have been 1,251 showings of WUA and National Board films before 143,000 people, and in addition films have been shown on television, particularly in Tennessee. The latest WUA movie, "How We Rate," has received praise from all sides.

In establishing contacts with colleges, field men in nearly every state have discussed the operative side of fire insurance before college insurance classes especially in Ohio. Also, this year there will be repeated the annual visit to Chicago in August of college insurance professors.

Most of the progress in the line of

cooperating with casualty companies has been at a state level where the casualty field men are helping fire field men in agency educational programs. Mr. Brown said it is to be hoped that in the near future public relations activities of the fire and casualty stock companies may be coordinated.

The listening post technique is being continued, and recently Farm Underwriters Assn. was able to review and edit a story on insurance before it was published in *Better Farming*.

In establishing relationships with trade organizations, Mr. Brown said the WUA staff has the responsibility at the national level but is limited by the shortage of personnel. In the field, however, Indiana and Ohio have provided speakers before trade associations or participated in panel discussions at trade meetings.

There is a heavy demand for the convention displays of WUA. They are in constant use.

The other committee reports included that of the governing committee, delivered by chairman Rush W. Carter, Aetna Fire. Karl S. Geiges, chief engineer of Underwriters Laboratories, presented a visual demonstration and film entitled "The Drama Behind the Plugged Fuse."

Evans at Great American Retires; Newcomb Successor

(CONTINUED FROM PAGE 1)

administrative duties. He became vice-president in 1940 and president in 1947 of the fire companies of the group, as well as vice-president in 1950 of Great American Indemnity.

Great American directors honored Mr. Evans at a dinner in New York City, Wednesday.

Mr. Newcomb, a native Californian, joined Commercial Union group in San Francisco in 1927. After a period of indoctrination and training he became a special agent, serving first in California and later in Colorado. In 1941 he joined Western Underwriters Assn. in Chicago. He became assistant manager of that organization. In 1946 he went with the western department of the fire companies of Great American group, then under the supervision of Vice-president S. M. Buck. He remained in Chicago, first as secretary and, after the death of Mr. Buck, as vice-president. In 1952 he transferred to the home office as executive vice-president of the fire companies and vice-president of Great American Indemnity. He has since been active in the country-wide administration of group activities and, in addition, has represented the group in many important cooperative organizations of the business.

Mr. Close began his career with the Great American group in 1922. In 1929 he was appointed a special agent and served successively in Texas and New York State. He went to the home office in 1936 as agency superintendent and has steadily advanced in the executive staff. He became assistant secretary in 1940, secretary in 1943 and vice-president in 1948. He always has been identified with the underwriting and production activities of the group and has taken a prominent part in many of the cooperative organizations. He will assume enlarged executive duties in the group management.

Three new officers have been appointed. Arthur P. Smith advances to assistant secretary of the fire com-

panies, Arthur A. Rice was appointed secretary and Robert R. Hubner was named assistant secretary of Great American Indemnity.

Mr. Smith joined Great American in 1938. Except for army service he was in the field in Dallas, Washington, D.C., and Birmingham, Ala. He returned to the home office in 1951 as an agency superintendent. In his new capacity he will assist Vice-president Walter E. Beeson in supervising the southeastern and southwestern departments of the fire companies.

Both Mr. Rice and Mr. Hubner joined the indemnity company in the accounting department and, subsequently, have had broad underwriting and production experience with time out for military service. Latterly they have been assistant managers at Chicago. As officers, they will continue to assist Vice-president Louis C. Knapp in the administration of that office.

Three-Way A&H Parley Suggested by Pansing

(CONTINUED FROM PAGE 1)

problems involved, why should not representatives of the three interested groups, *viz.*, the FTC, the NAIC and the industry, sit down together in an attempt to accomplish such public interest by agreeing upon such standards without regard for the niceties of the jurisdictional problem?

So, the purpose of this letter is to toss out for your consideration the following suggestion: That proper industry representatives submit a petition directed jointly to the FTC and the NAIC, asking that the three groups meet together in a tripartite fair trade practices conference or its equivalent, in order to define advertising standards which all might agree to be representative of good practice.

I offer this suggestion as one state insurance commissioner, speaking for nobody except himself, who believes that every reasonable effort should be exerted to reach the ultimate goal common to all three groups—honest and forthright advertising of private accident and health insurance facilities. Jurisdictional pride has no place in such matters. By directing the petition to both official bodies no company need worry about implied public assent to FTC jurisdiction.

I believe that both the FTC and the NAIC are now engaged in honest efforts to outlaw misleading and deceptive advertising, and that neither is concerned with extension or retention of jurisdiction to the extent of delaying or hampering that end. I cannot but believe that both the FTC and the NAIC would welcome participation in such a common-sense, non-legalistic undertaking. It seems that any argument that the members of either official body could not meet for such a public purpose must be dismissed as bureaucratic evasion, motivated by another purpose.

I am not irrevocably committed to this plan, indeed I may see fit to discard it if it turns out to have patent faults of which I am now unaware. If so, I shall gracefully withdraw to watch the jurisdictional fur fly while the public waits.

New Auto Rates for Texas Go Into Effect May 1

New rates for automobile liability insurance have been promulgated in Texas effective May 1, and the latest National Bureau revisions will be adopted at that time also.

Changes for private passenger coverage by territories are: I increase 0.3% for BI and decrease 5.4% for PDL; II decrease 5.7% for BI and decrease 6.8% for PDL; III decrease 7.6% for BI and decrease 4.3% for PDL; IV decrease

6.8% for BI and decrease 8.2% for PDL; V decrease 3.7% for BI and decrease 5.5% for PDL.

For the state as a whole, bodily injury is down 3.7% and property damage 5.5%.

Commercial cars in class 6 get a decrease of 20.1% in BI and 24.1% for PDL, and the new class 6a for farmers, ranchers and private cemeteries is 23% below that of class 6.

Eligibility for experience rating trucks is now at a basic limit of \$1,000 for a year or two years.

New Jersey UJF Law Is Amended, Board Named

(CONTINUED FROM PAGE 2)

exactly like it has been tried anywhere before, and it is now for the first time in actual operation. One interest has been in how claims would be handled.

The staff which operates under the jurisdiction of the board which is headed by W. Lewis Bambrick as manager, will assign the claims in relation to the automobile casualty business written by the insurers in the state. For example, if one insurer writes 3% of the automobile casualty premiums in New Jersey, it will get 3% of the unsatisfied judgment claims. The insurer will pay the costs of investigation, defense, etc., and only the claim itself will be paid out of the fund. Each insurer will keep a count of its expenditures, so that eventually this cost will be reflected in the rates.

General Adjustment Bureau has been designated by approximately 85 stock insurers to handle claims for them. This represents well over half of the stock insurers doing business in the state, and GAB has built a staff of 20 men who will be stationed in Atlantic City, Trenton and Newark to devote their attention to such claims. Experienced men, they have received special training in the details of the UJF act.

Apparently most of the mutuals will handle the claims which are assigned to them on an individual basis. Under the act, the insurer can handle its own claims or it can use a pool such as the GAB. In addition there is a third method of handling claims, by use of a "lead company". Allstate will act as the lead company for Farm Bureau Mutual Automobile and Government Employees.

The board which will administer the law was newly appointed April 1 by Commissioner Howell. The board now consists of Francis Van Orman, vice-president and general counsel of American, representing the stock company rating organization; Henry S. Moser, vice-president of general counsel of Allstate, representing independent stock companies; R. G. Chilcott, vice-president of Farm Bureau Mutual Automobile, representing independent mutuals; C. Harold Whittum, assistant vice-president of Liberty Mutual, representing the mutual company rating organization; Frederick J. Gassett Jr., director of the motor vehicle division of New Jersey, and Commissioner Howell. Mr. Gassett and Mr. Howell are new on the board under the law change and Mr. Whittum replaces Ray K. Heist, who has been promoted to divisional vice-president of Liberty Mutual at Pittsburgh.

MRS. LOIS WILCOX, whose husband, Roe M. Wilcox, is assistant manager in the western department at Freeport, Ill., of Crum & Forster, died there April 3.

Knowlton Probes Serious Aspects of FTC Activity

The federal trade commission has under investigation the advertising of perhaps as many as 200 more companies writing A&H business, and more complaints are expected. Donald Knowlton, insurance commissioner of New Hampshire and president of National Assn. of Insurance Commissioners, said in a talk before Philadelphia A&H Assn. If such complaints are brought out with the same publicity that has attended those now in process, he said, public confidence in the industry, already shaken, may become completely shattered.

The special NAIC committee headed by Mr. Knowlton is meeting this week at the New York City headquarters of the state insurance department to study further the question of the jurisdiction of FTC in A&H matters.

He believes that if the suggestion is followed that the A&H business petition the FTC for establishing a voluntary code of fair trade practice and if machinery is set up within the FTC to test advertising without being subjected to formal complaint, the business will concede an area of jurisdiction to the FTC. Such a procedure would give the government a foothold with which to open the door wide to federal supervision of insurance, he said.

One argument advanced for a voluntary code is to forestall amendment or repeal of public law 15.

Mr. Knowlton expressed the belief that the commissioners must exert every effort to preserve state regulation, and commissioners, he believes,

should not be a party to establishment of fair trade practice rules and regulations on advertising by the A&H business. If insurers that have been cited by FTC believe it is in their best interest to concede jurisdiction, they have a right to decide the question.

The commissioners have the duty of sponsoring legislation found necessary to preserve state regulation and to concentrate their efforts on providing adequate regulation across the country, he declared.

The NAIC committee appointed last December on the question of FTC jurisdiction has tentatively outlined the issues involved and is now having attorneys draft a brief covering the issues, Mr. Knowlton commented. From the work done so far, it seems obvious that all states will have to enact the unfair trade practices act and the unauthorized insurers service of process act, or substantially similar legislation. He called attention to the fact that the business itself has formed the joint committee on health insurance which represents seven important trade associations in the A&H field. This is one of the most progressive steps ever taken by the business, he declared.

Mr. Knowlton said he feels today even more strongly than previously that for the FTC to prosecute publicly each complaint does more harm than good by undermining public confidence in the business, which is carried on by all but a few companies in a fair and honorable way. Though the complaints were brought by a commission and are not court proceedings to invoke penalties, he added, they were initiated with much publicity which has had unfortunate repercussions. He said that such inquiry as he has been able to make of companies

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

vice-chairman and W. F. Williams, California association secretary, reelected secretary. Conferences were executive but the agenda included discussions on broader fire and casualty forms some with the aim of modifying the confusion resulting from the various dwelling forms.

C. R. Carpenter Joins Continental Casualty

C. R. Carpenter has been elected a vice-president of Continental Casualty and Transportation. He joins Continental after 20 years' experience in casualty, fire and surety claims with Travelers. A graduate of the University of Chicago, he began his business career in that city and later became a member of the Illinois bar. After service in casualty lines, he was called to Hartford to take charge of Travelers' claims department for fidelity and surety.

Wash. Dram Shop Act Is Repealed

The Washington legislature has repealed the dram shop act of that state. Thus the case of Hansen vs. West Coast Wholesale Drug Co., now on appeal before the state supreme court, will be apparently the first and last case testing the application of the Washington statute to liability for giving away liquor. In the Hansen case, the drug company was sued by the widow of a man killed by a company truck driver in an automobile accident. The driver had been served liquor at a company Christmas party.

cited by FTC indicates they are receiving a great deal of mail from policyholders, and their agents are being questioned not only about misleading advertising but about the claim practices and financial condition of their companies.

He noted the cooperation of the business in aiding state authorities to secure the kind of legislation needed to strengthen A&H regulation.

Ark. Legislative Scorecard Completed by Gov. Faubus

(CONTINUED FROM PAGE 2)

some of the bills which did not pass. There were at least seven measures introduced to alter the workmen's compensation law, including those for lump sum settlements of awards, trials *de novo*, increased benefits, and benefits for heirs as well as dependents. All were defeated.

A Senate bill to levy a 2% tax on domestic fire companies did not get out of committee nor did house bill 256 which would have abolished the use of both the installment premium payment plan and the annual renewal plan on fire insurance policies.

The house voted down a bill for a personal injury fund for school children and school employees. But the house insurance committee gave a "do pass" nod to a measure to create a state insurance fund to cover state and school property. This bill died on the calendar.

Two bills were introduced to license adjusters. One would have closed the adjusting profession to all but qualified, licensed attorneys in Arkansas.

A house bill for compulsory automobile insurance was defeated decisively in the house which also refused to approve any change in the state's financial responsibility law proposed in house bill 314. A bill 391 to set up penalties for companies failing to make prompt settlement of small auto property damage claims in which their liability was clear passed the senate 31-0 but was voted down when it reached the house.

A half dozen or more bills dealing with personal injury suits and their settlements were defeated in their respective houses. Among these bills were measures to permit insurance companies to be sued as co-defendants and to prohibit the settlement of personal injury claims within a 30-day period after an accident.

In the fire insurance field, a good

deal of interest was aroused by a bill to require fire companies filing their own rates (not through a bureau) to qualify as "rating organizations" and to provide similar inspection, engineering and public fire prevention services as required of fire rating organizations. It also would have amended a number of sections of the all-industry fire rating law which Arkansas enacted in 1947. This bill, which, in effect, would have made the Arkansas Inspection & Rating Bureau the equivalent of a statutory bureau, was reported unfavorably in committee and subsequently withdrawn.

Iowa Coinsurance Bill Passes Both Houses

DES MOINES—The house of the Iowa legislature completed action on a coinsurance bill and sent the measure to the governor for signature. The bill would eliminate the necessity of having the insured's signature and would give the insurance commissioner authority to approve coinsurance forms.

Insurance Attorneys to Give Trial Tactics Panel

The insurance section of American Bar Assn. will present a trial tactics panel on courtroom aspects of brain concussion at Phoenix, Ariz., April 15. This is the first in a series of such regional meetings. Dr. Louise J. Gordy, psychiatrist and neurologist of Beverly Hills, Cal., will discuss the anatomy of the brain and central nervous system, followed by examination and cross examination of the plaintiff's medical witness. Forrest A. Betts, insurance trial attorney of Betts, Ely & Loomis of Los Angeles, will preside.

Sauter Feted at Chicago

Fred J. Sauter was honored at a dinner in Chicago on the occasion of his 40th anniversary as Cook county manager of New Hampshire Fire. M. J. Greenough, vice-president of New Hampshire, presented Mr. Sauter with a desk clock-radio and an embossed certificate.

Attending the dinner were Mr. Sauter's son, Fred B. Sauter, who is with Sauter & Co.; A. C. Sauter of National Automobile Theft Bureau; vice-presidents Greenough and Austin V. McKown of New Hampshire; and general agent H. C. Ferry, marine superintendent, F. J. Fischer Jr., and retired resident secretary W. G. Shipe of New Hampshire, as well as the office staff of Sauter & Co.

New Home Office for Fireman's Fund



Building plans for the new home office of Fireman's Fund group were announced last week. The new building will be at California and Laurel streets, and grading of the site will get under way immediately. It is expected the new home office will be ready for occupancy late in 1956.

Fireman's Fund will have horizontal, country-type structure that will be unique among the typically vertical office buildings in San Francisco. The home office will conform with the lines of the surrounding area, which is predominantly residential. The lot is 10 acres in size, surrounded by California street on the north, Presidio avenue on the east, Euclid on the south and Laurel on the west. The building will have 190,000 square feet of floor space, and will graduate from one floor to the highest portion of the lot to three floors facing California street and Presidio. There will be two main entrances—a formal court with parking facilities on Laurel street, and an entrance on California street adjacent to an off-street parking area for more than 200 cars.

The exterior of the building will be aluminum and glass with brick facing. Cantilever construction will provide window walls on all floors.

There will be a cafeteria to seat 400 employees.

The building will be surrounded by extensive landscaping. Total estimated cost is \$4 million, of which more than \$3 million will go into the building proper, \$600,000 on new furniture, and \$300,000 on landscaping and parking facilities.

This will be the third home office for Fireman's Fund. The first, along with all company records, was destroyed in the 1906 earthquake and fire. A temporary home was rebuilt at the original site, California and Sansome streets, and in 1915 a new building was constructed at this location. The company also built in 1914 the 10-story Insurance Exchange on adjoining property and now uses all but one of the floors in this building in addition to its own home office. The present home office at 401 California, will be retained as the San Francisco branch.



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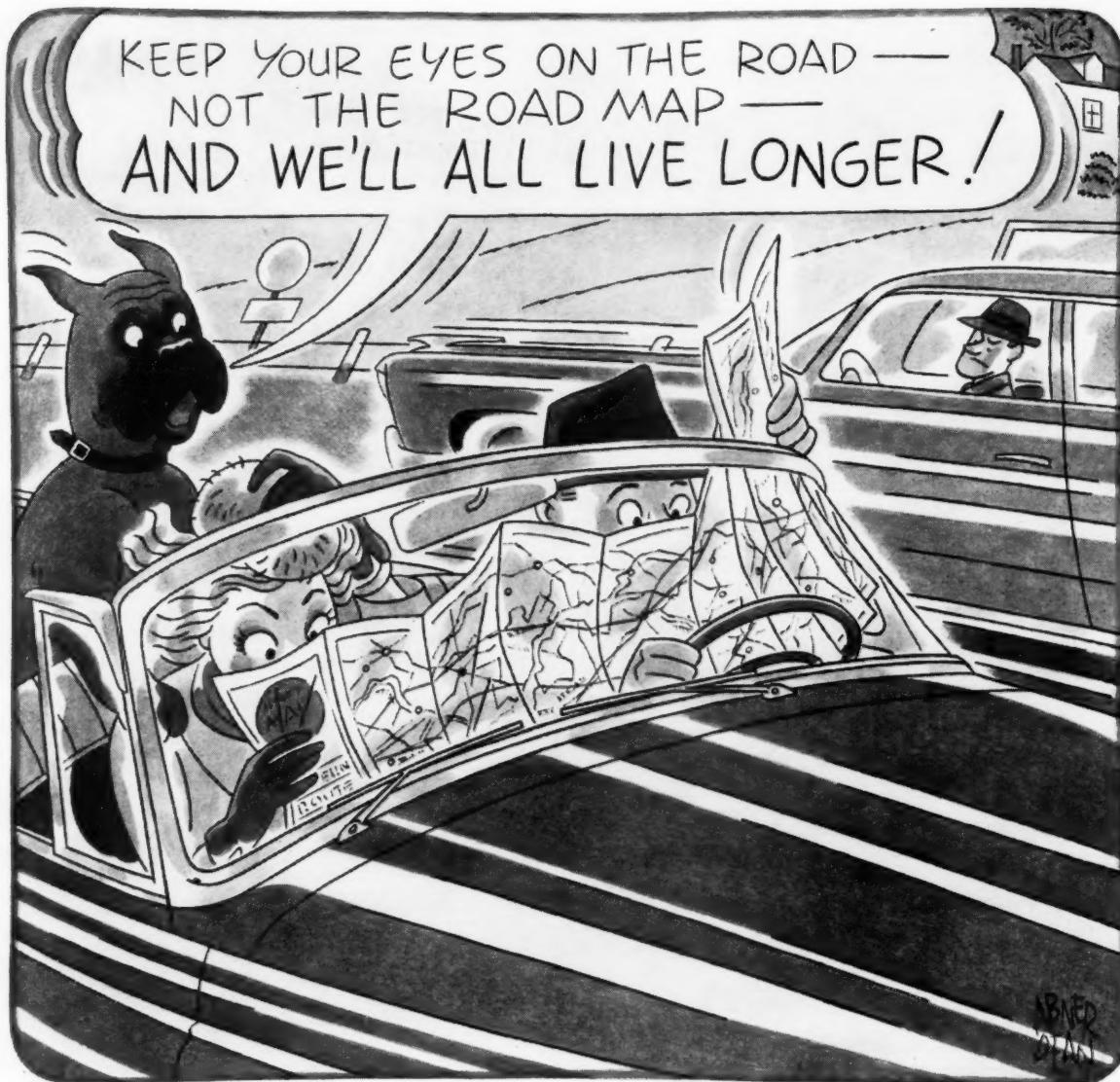
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